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Case Study: Strategy Formation Process in Canal 22

-Facing the Challenging Milieu of Disruptive Change in the Media Industry

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ABSTRACT

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The purpose of this master's thesis is to research the strategy formation process in Canal 22: how the strategy formation process is and why the process is as it is. Because the study deals with the 'how and why' aspects, the researcher has chosen a longitudinal single-case study as the appropriate research methodology.

The unit of analysis—the case—is the strategy formation process in Canal 22. Canal 22 is a Mexican cultural public (service) media company. The case is longitudinal because strategy formation, as a process, deals with change. Thus, the case is studied from 1993 to September 2015. Mintzberg's 5Ps of strategy and the 10 schools of thought about strategy formation are some the models included in the theoretical framework.

The research proposition states that Canal 22's strategy formation process has aspects that can be improved. Improvements in the process would increase possibilities to enhance the company's performance. Performance is understood as the company's success to carry out its mission, while maintaining, or increasing, its relevance as a media company, which is affected by the structural change that the Mexican media industry has been going through.

The findings show that there is not an agreement of what should be the scope of the channel's contents and products based on its cultural character. Thus, there is contention of whether politics, current news affairs, and critique should belong to the cultural offer of the channel or not. Also, among the members of the organization different and opposing values are embraced. This generates conflict, which in turn affects the strategy formation process.

The conclusion is that the strategy formation process in Canal 22 can be improved. According to the findings, Canal 22 would benefit if it had greater autonomy as an entity, if it depended less on federal budget, and if an autonomous planning council, independent of the six-year federal changes, was created. The researcher's additional recommendations are three. First, define the organization mindset. Second, employee engagement and independence on decision-making should be increased. And finally, boost an organizational culture of openness.

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Introduction

Significance of the Research

The way people produce and consume media products and contents have never been as vibrant and fascinating as it is nowadays. This has been enabled by digital technologies which have never been as sophisticated and accessible as they are today. Also, more and more people access to Internet around the globe and transcend cultural and geographical boundaries. Most importantly, people's needs, habits and ways to interact and consume have changed too. As a result, the media industry has suffered a structural break causing a paradigm shift.

After acknowledging today's reality in the media environment, we might ask: how do media companies will ensure that they thrive and succeed in today's competitive, unpredictable and ever-changing milieu? Making a superb strategy might be an answer. But how do companies make great strategies? How the process looks like?

This research work investigates and gets into the wilds of the strategy formation process of Canal 22, a Mexican public broadcasting company. The research proposition states that Canal 22's strategy formation process has aspects that can be improved. Improvements in the strategy formation process would increase the possibilities to make better and more effective strategies. This way the company's performance would be enhanced. This in turn, would help the company to thrive and succeed in today's media environment.

Thus, the findings and observations of this research work might be useful for the media management scholarship, as well as for those media professionals who are in the search for a better understanding of the complex process of strategy making in their organizations.

Personal Interest and Motivation

The motivation to study the strategy formation process in Canal 22 emerges from my management practicum experience. During that time, my mentor was head of strategy at Yle. It is when I got the opportunity to observe the significance of strategy making for a public service media company, operating within an industry in which the old ways of doing media contents were stumbling, business models were shaking up and in which the new

and the fascinating was emerging. I learned that strategy was not only a theoretical concept that I was learning during my media management programme. On the contrary, I learned that strategy and strategy making involves a lot of creativity, active and proactive thinking, learning, interaction, sharing and passion. After my management practicum experience I wanted to learn more about strategy, this is why I chose to investigate the strategy formation process in Canal 22.

I wrote my Bachelor's thesis about the Mexican public (service) media companies. For my Master's thesis, I wanted to continue and research more in depth one of them: Canal 22. Within the Mexican media industry, in my opinion, the role and significance of Canal 22, as a cultural media company, is huge.

The case study: Canal 22

Mexican Media Landscape: Canal 22's context

As a country, Mexico is full of contrast in most of its dimensions, such as sociocultural, economic and natural contrasts. As portrayed by the BBC, Mexico is a country where “affluence, poverty, natural splendour and urban blight rub shoulders” (2015). Some aspects that portray, in broad strokes, the media landscape in Mexico are briefly presented in the following paragraphs.

According to a census carried by INEGI, during the year 2013, it showed that the *availability of ICTs in the Mexican households are on the rise*—with the exception of radio and fixed-line telephone (2015).

In line with the same census of 2013, the majority of households—about 90%—had television, and there is no evidence that this trend will change. Recent data collected during 2014, confirms that pay television has a penetration—based on subscriptions—of about 51.5% of the total Mexican households (IFETEL, 2015). Televisa and Azteca are the two companies that dominate the free to air television market. They accounted for 99.3% of the advertising sales and 98% of audience share on free-to-air television (COFETEL, 2013, p. 5, 10). In Mexico, the transition to digital terrestrial television was completed in December 31st 2015 (Univision Noticias, 2016).

Radio is among the most important and popular media in Mexico. For instance, in just Mexico City during the year 2006 there were near 12 million radio listeners (Asociación de Radiodifusoras del Valle de México, ARVM, n.d.). Radio is one of the top 4 media among people to stay informed about the daily news (Bravo, Gómez, Sosa-Plata, Téllez-Girón, 2011, p. 17-8, 20).

According to the Mexican State Public Broadcasting System (Sistema Público de Radiodifusión del Estado Mexicano, SPR), in Mexico there are currently 33 public (service) television channels. In addition, there are federal, state, university, community and regional radio stations. (2015)

The Mexican Association of Internet (Asociación Mexicana de Internet, AMIPCI) confirms that by *December 2013 there were in Mexico 51.2 million users of Internet*, with the youth—between 13 to 24 year old—representing the most avid users. The principal device to access to Internet is the PC—laptop or desktop—followed with an increasing popularity to use smartphones to access to Internet—*5 of every 10 Internet users connect via smartphone*. The top three reasons to access to Internet are: 1) to use email; 2) to use social media; 3) to search information. 9 out of 10 use Internet to access to social media (2014). Facebook, YouTube, Twitter, Google+ and Instagram are among the most popular social media (Interactive Advertising Bureau, IAB, 2015).

Mexicans like to stay informed and among the top media used to be informed in addition to television and radio, are the newspapers (Sosa-Plata, 2011, p.17-8). The reading rate in Mexico is low, little less than 12% of Mexicans read on their spare time. Reading is a habit for only 2% of Mexicans and in average a Mexican reads 2.8 books per year (Villamil, 2013). As a consequence, in average, Mexican people are not enthusiasts in reading newspapers, but regardless of it, Mexico has over 800 print outlets, “including 279 daily newspapers”. In Federal District is “where the five largest dailies are published” and were the newspaper readership is more popular. Tabloids are preferred over the quality papers (Sosa-Plata et al., 2011, p. 8).

In Mexico, the Federal Law of Radio and Television (Ley Federal de Radio y Televisión)—published in year 1960—was abrogated in August 2014. The reason was clear: it was an outdated law on which the norms included on it were not reflecting the current reality of the media industry, thus resulting in a mismatch between the law and the contemporary needs in the media sector. On July 14th, 2014, the new Federal Telecommunications and

Broadcasting Law (TBL) was decreed. This new law was created to address both, the telecommunications and broadcasting activities, as well as any activity in between the two.

Media and telecommunications activities have become symbiotic with each other. It is even the case that some of the boundaries between these industries have become blurred or inexistent. These two sectors are dominated by a small number of companies. (Huerta-Wong, Gómez, 2013, p. 115; Sosa-Plata, et al., 2011; Sosa-Plata, 2015; Posada, García M. 2015). Concentration still remains in both industries despite of the structural changes within these industries, the new law and the efforts made to counteract it.

According to Trejo Delarbre (2014) some benefits are entitled in the new law in regards to public service media:

- The creation of a new public service broadcasting network: *Public Broadcasting System of the Mexican State* (Sistema Público de Radiodifusión del Estado Mexicano, SPR).
- *Autonomy and diversity* are recognized as *features of public service media*.
- Pay TV must include on its offer the free to air television channels.
- Community broadcasters are legally recognized.
- Programming is to promote child rights.
- Participation of ombudsmen (audience' advocates) and ethical codes.

Anything and everything can happen in the Mexican Media landscape during the following years but it is likely that many of the strategic movements will involve the symbiosis between media and telecommunications sectors, as well as technology and Internet related industries.

Canal 22

In the following paragraphs it is briefly described how Canal 22 emerged and some history of its early beginnings. In addition, some relevant facts about the channel are explained, such as why Canal 22 has a cultural character, who is the channel's owner, what its legal nature is, and to which programs Canal 22 aligns its own mid-term program –which contains its objectives and strategies, and why there is a constant contention on whether the channel is public service media or not.

When Miguel de la Madrid was the president of México (1982-1988) was formed a state broadcasting system composed by three public television channels: 13, 7 and 22. The name of the federal government broadcasting system was Mexican Television Institute—Instituto Mexicano de la Televisión (Imevisión). Thanks to this system, the Mexican audiences had public television. It was not independent enough from the government administration to form a consensus to confirm that it was certainly *public service media*, especially when compared to some European models. Nevertheless *it was a choice different to the commercial television* at that time.

The broadcasting system had a moderate nationwide coverage. The channels included programs with a variety of genres such as sports, news programs, fiction and comedy. Years later, during the presidency of Carlos Salinas de Gortari (1988-1994) there was a massive wave of neoliberal and privatizing policies. By the year 1991, Imevisión was dismantled. A group of intellectuals wanted to rescue one of the channels. What this group envisioned was a channel that would be dedicated to produce and disseminate contents and programs related to culture. The group wrote and signed a proposal to the president. Salinas de Gortari accepted their proposal. Channel 22 was reserved for the cultural project. The other two networks, 7 and 13, were sold in 1993 and ever since have been part of what nowadays is known as TV Azteca, a Mexican multimedia conglomerate (Toussaint, 2009, pp. 99-100).

Once the group of intellectuals had rescued the channel, and before Canal 22 was launched, Salinas de Gortari appointed a group of people to work in various commissions. The group consisted of about 20 people organized into four working commissions each of them taking care of one of the following: legal aspects, channel's structure, sources for funding and the channel's programming. Trejo, who is writer, researcher and professor at UNAM, was member of the channel's programming commission. According to him, the main work of the commissions was to design and define the structure and guidelines for the channel (June 23, 2015).

The purpose of the channel was defined to serve as a medium to *create and disseminate culture*. In line with Trejo, one of the commissions' goals was to design a channel that, as far as possible, *would not be subject only to bureaucratic decisions*. The broadcasted *programs and contents would be different to the available television choices*, and it would *rescue international and Mexican cultural expressions*. In terms of broadcast programming, it was aimed to design a schedule that was *“versatile, which responded to*

diverse interests and had a broad understanding of the concept of culture" (Ibid.). In Trejo's opinion, the commissions' proposal was considered with the exception to the corresponding section about news and political discussion (Ibid.). The collaboration of this group of intellectuals ended once the commissions' tasks were carried out.

Canal 22 began its transmissions on June 23, 1993. The official name of Canal 22 is Televisión Metropolitana, S.A. DE C.V. Canal 22 is an agency owned by the National Council for Culture and Arts—Consejo Nacional para la Cultura y las Artes (CONACULTA). CONACULTA functions as a decentralized body of the Secretariat of Public Education—Secretaría de Educación Pública (SEP)¹.

Because of the legal nature of the channel, Canal 22 has aligned its objectives, strategies and lines of action to plans established by its higher federal government authorities. For instance, between the years 1995 and 2000, Canal 22 worked in line with the National Plan of Development 1995-2000 and the Program of Culture 1995-2000. The importance of the cultural policy role in the country's development was highlighted in those plans. For instance, one of the fundamental strategies was to *expand coverage* and improve the basic services in the audio-visual media (Canal 22, 1996). So in harmony with those plans, Canal 22 aimed at expanding its coverage and aimed as well at improving the quality of its programs.

In 2015 it continues to work with the same dynamic. Canal 22 had the Institutional Mid-Term Program—Programa Institucional de Mediano Plazo. This program contains the objectives, strategies and lines of action that the channel aims at achieving during a 6-year period of time. This period of time matches the 6-year period of the Federal government administration in turn. The Institutional Mid-Term Program is aligned with three programs: 1) National Plan of Development—Plan Nacional de Desarrollo, 2) Special Program of Culture and Art—Programa Especial de Cultura y Arte and 3) Education's Sector Program—Programa Sectorial de Educación. This arrangement is based on the provisions of the articles 58 and 59 of the Mexican Federal Law of Decentralized Entities. Even when Canal 22's alignment to those three programs might seem restrictive, it is not. In Trejo's

¹ In December 2015, CONACULTA is transformed into the Secretariat of Culture—Secretaría de Cultura (Diario Oficial de la Federación, 2015). This transformation began after the researcher had concluded the research work.

view, *the objectives contained in those programs are broad. Almost any desired strategy for Canal 22 is likely to be adapted to objectives contained in those programs* (writer, researcher and professor at UNAM, June 23, 2015).

There has always been contention on whether Canal 22 is public service media, state media or something in between those two. According to Trejo, whether Canal 22 is defined as public service media depends on the understandings we have about public service media: If public service media is media supported by fiscal resources provided by the federal government, then Canal 22 is public service media. If in addition to that Canal 22 needs an independent management from the current government, as it occurs in Europe such as it is the case of the British BBC, then Canal 22 is not public service media. It is state media (Ibid.).

In this paper Canal 22 is treated as public service media. The author's position is based on the information gathered through the interviews with Canal 22 staff. *The staff focuses its efforts towards the direction that enables Canal 22 to have greater autonomy from the state.* Also outside the company, *the academia and the audiences are part of the struggle for greater autonomy in Canal 22.* Canal 22 does not resemble any European public service media model, and it does not need to, because the context and the history are others. Yet, in broad strokes Canal 22 certainly shows evidence of “public”, of “service” and of “media”.

In Canal 22 there has been 7 directors within the period that this study covers, 1993-2015: José María Pérez Gay, Enrique Strauss, Jorge Volpí, Irma Pía González Luna Corvera, Magdalena Acosta, Raúl Cremoux and Ernesto Velázquez. The directors and well as more facts and history of the channel are covered with more detail in the findings chapter. Thus, that chapter there is a fusion of some history and facts with some discoveries and analysis. All of these relevant to the strategy formation process within Canal 22.

Theoretical Framework

Structural Breaks within the Media Sphere: Mediamorphosis

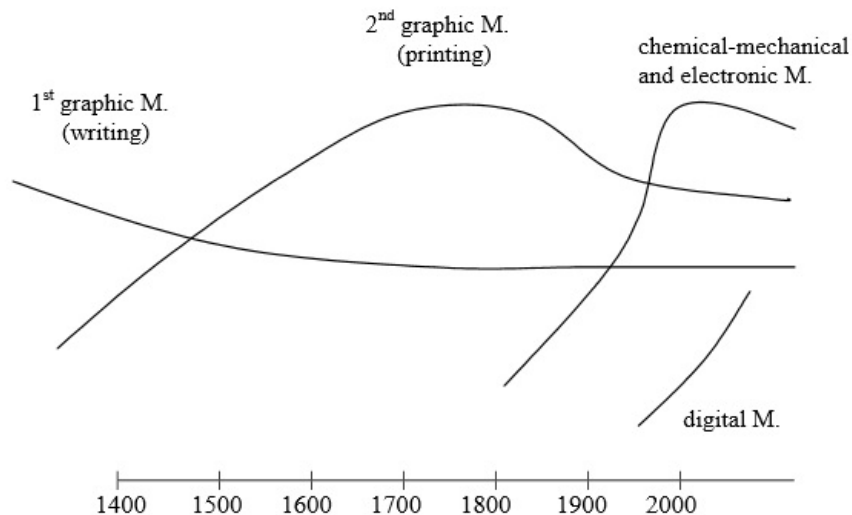
The purpose of this research is to study *the strategy formation process in Canal 22.* Because of the effects that change has in the process of strategy formation, it is important

to discuss in the following paragraphs the complexity of discontinuities in today's media organizations, such as Canal 22. Ideas, such as structural break, paradigm change and mediamorphosis are considered. This is with the purpose to create awareness and makes us ponder on the significance of the strategy formation process within a media company in today's ever changing societies.

Ever since its beginnings, the media industry has gone through remarkable changes causing structural breaks. A structural break "denotes the moment in time-series data when trends and the patterns of associations among variables change" (Rumelt, Richard, 2008). Structural breaks are a healthy phenomenon of the media industry's evolution.

In line with Peter Tschmuck (2006, p. 210), we can *interpret structural breaks as paradigm changes* within the media industry's systems of creation, production, distribution, and consumption. Tschmuck explains: *Paradigm changes should not be understood in exclusively technological terms. Instead they should be seen as amounting to a comprehensive cultural change.*" (Ibid). In Tschmuck's opinion, industries are determined by specific cultural paradigms –"all values, norms, and action heuristics that form the basis for all agents' activities. Hence, a paradigm change consists of a radical change in an existing system of norms and values" –diverse actors or groups of people, within and outside the industry, embrace different set of values, beliefs and norms. Therefore opposing viewpoints and beliefs challenge one another, as so on, leading to situations where new systems contest the old ones (Ibid).

Explained slightly different, according to Blaukopf and Smudits, structural breaks are "embedded in a comprehensive process of change" known as mediamorphosis, which "consists of a transformation of cultural communication that occurs as a result of technological innovation in the media" (Smudits as cited in ibid, p.212). "Mediamorphosis effects a dramatic change of artistic productions, which results in altered conditions of production, distribution and reception" (ibid). Tschmuck classifies since early modern times four mediamorphoses which are overlapping each other to some degree: 1) Graphic mediamorphosis -writing, 2) Graphic mediamorphosis -printing, 3) Chemical-mechanical and electronic mediamorphosis, 4) Digital mediamorphosis. (see figure). Thus, structural breaks are triggered by mediamorphoses (Ibid).



Source: Smudits (2002b: 204).

“The emergence of mediamorphoses since early modern times” (Tschmuck, 2016, 213).

In brief, the culture of media consumption has been going through remarkable and unprecedented changes. The media industry is going through a *quantum change*, a *digital mediamorphosis*, causing a *structural break*, a *cultural paradigm shift* coined by Tschmuck as the *digital revolution*. According to him, “this latest [digital] mediamorphosis will radically change the production of art” (ibid, 213).

The underlying structures and business models of the media industry have changed remarkably, thus the old ways of doing business no longer work. For instance, during the last decade or so, the newspapers have faced unprecedented competition, which has resulted in loss of readership and sales in advertising. Unfortunately for newspapers the former media landscape where it developed is so different to today's landscape, that it was very difficult or even impossible for the newspapers to be ready for this structural change. The traditional business model in the music industry mouldered as well. Music companies had a business model shaped to meet the needs of a media paradigm characterized by production and distribution of phonograms. The new digital mediamorphosis triggered a structural break: Today the music industry is cloud-based, streaming service oriented, as well as more dependent on the singers' and musicians' live performances and events involving third party activities such as social media, marketing, etc. Broadcasting business models have been challenged as well. Television companies are experiencing fierce increased competition with previously unthinkable competitors, fragmentation, etc. As mentioned before, broadcasting companies need to rethink their business model.

Media companies need to respond proactively and timely to this paradigm shift. It is not enough for them to concentrate on traditional media such as television and radio broadcasting anymore and making minor efforts to have presence in online and social media. They need to participate proactively and creatively in today's media activities, provide novel services and products that are relevant to the new culture of communicating, interacting and consuming. (Suárez, Roberto, 2012, p. 5)

Consistent with the paragraph above, Stefan Heng, senior economist at Deutsche Bank Research, argues that traditional media houses “know that only the houses that tune in at an early stage will play a role on the journalistic front going forward” (2006, p.1). What Heng argues is of special interest for media companies with a *public service remit* which are expected to safeguard democracy and cultural values, such as Canal 22, the case study of this research work.

Therefore, the current structural break within the media industry opens an opportunity window for traditional public service media. For instance, according to Dr. Stefan Heng explains the opportunity window in the following way:

“[i]n the multimedia world of omnipresent information the public [service] broadcasters justify their existence today not so much by providing a basic service as by offering the variety of journalistically sound, high-quality programmes that viewers need. . . . With the flood of information rising, the public corporations are counting on creating a brand that stands for credibility and reliability. This premium strategy should help them to shore up their market shares” (Ibid.)

PSM has clearly the strength and competitive advantage of offering a unique and differentiated alternative of products and services enabled by the distinctiveness that emerges from the mission and values of the public service remit.

Thus, traditional public service broadcasters, such as Canal 22, are on the phase of reinventing themselves to thrive in this new mediamorphosis. Strategies and the process of forming them can be a real advantage and core competence for PSM companies to successfully seize the opportunities brought by the structural break within the industry.

This will enable them among other things: 1) to enhance their services and products and 2) to make stronger relationships with their audiences, with prosumers (those who consume and coproduce together with the company), and partners, in addition to appealing new ones. All the above with the ultimate goal to carry out best their mission, their public service remit, which is of huge importance in today's democratic society.

New ways of doing business within the media industry are welcomed. According to Rumelt, structural breaks represent hard times for companies, but it is an ideal moment full of new opportunities. Some companies “prosper because they understand how to exploit the fact that old patterns vanish and new ones emerge”. Rumelt adds that a “*structural break is the very best time to be a strategist, for at the moment of change old sources of competitive advantage weaken and new sources appear*”. Transforming a business model “always takes insight and imagination” (2008). This is why this work aims at researching Canal 22's strategy formation process, because it is strategy the glue that sticks together the company's goals and values amidst a fascinating moment in the media industry—one of a structural break.

Strategy

“[O]nes person's strategy is another's tactics—that's why what is strategic depends upon where you sit”

(Rumelt, 1979, p. 197)

A central theme of this research work is strategy and its formation process. This is why in the following paragraphs it is discussed the basics very basics of the notion.

The word has its origins from the early 19th century, from the French word of *stratégie*. This word originated from the Greek word *stratēgia* ‘generalship’, from *stratēgos*, from *stratos* ‘army’ + *agein* ‘to lead’ (Oxford Dictionary of English, 2015). As it can be noted, the former meaning of the roots of the word does not match accurately its modern social construct. Strategy as a social construct has been heavily used around the world across cultures, in almost any field of activity and it has had different and diverse meanings and associations, generating at times a lot of confusion and misunderstanding about the essence of it.

At times, the confusion of the word strategy generates meaningless statements and this in turn triggers problematic. According to Richard P. Rumelt, most people equal the strategy to “mission statements, audacious goals, three- to five-year budget plans” (2008). Besides, any activity within a company is labeled as something *strategic*, such as acquisitions into growth strategy, cutting prices into low-price strategy, etc. “A lot of people label anything that bears the CEO’s signature as strategic –a definition based on the decider’s pay grade, not the decision” (Ibid.).

Due to the abstractedness of the word strategy, it is not surprise that the process to create strategies is much harder to understand and carry out. Hamel explains that “[t]he dirty little secret of the strategy industry is that it doesn’t have any theory of strategy creation” (1997). He believes that innovative strategies are the outcome of “lucky foresight”. Such foresight appears from the embedded organizational foundations built of “experience, coincident trends, unexpected conversations, random musings, career detours, and unfulfilled aspirations”. Hamel believes that it is possible to increase the richness and potential of the organizational foundations “out of which strategy grows” and where serendipity is not only encouraged but it happens. This is enabled by developing “a deep theory of strategy creation” which is not a process instead it is a “deeply embedded capability—a way of understanding what’s really going on in your industry, turning it on its head, and then envisioning the new opportunities that fall out” (Ibid.).

Mintzberg agrees with Hamel by acknowledging the complexity of strategy formation. Although he interprets the complexity from another angle, it is a major issue for strategy formation to find out “how to read [the] collective mind – to understand how intentions diffuse through the system called organization to become shared and how actions come to be exercised on a collective yet consistent basis”. (Mintzberg, 1987, p.17)

Strategies according to Mintzberg “have two essential characteristics: they are made in advance of the actions to which they apply, and they are developed consciously and purposefully” (Mintzberg, 1987, p. 1). Strategy has been described in multiple ways in diverse fields such as game theory, for military purposes and of course in management.

For instance, in the field of management strategy is quite often thought as the “top management’s plans to attain outcomes consistent with the organization’s missions and

goals” (Wright et al. as cited in Mintzberg, 2008, p.9). Rumelt defines strategy as “a cohesive response to a challenge. A real strategy is neither a document nor a forecast but rather an overall approach based on a diagnosis of a challenge. The most important element of a strategy is a coherent viewpoint about the forces at work, not a plan” (2008). “To Drucker, strategy is ‘purposeful action’; to Moore ‘design for action’, in essence, ‘conception preceding action’” (as cited in Mintzberg, 1987, p.1). Strategy is interpreted and used tacitly in different ways.

As mentioned above, one of the central questions of this research is about strategy, its dimensions and the formation of it. The research questions deal with the investigation and analysis of the following:

- The nature of strategy within the company. Does the company have the strategy as pattern, plan, ploy, position, perspective, or as something else in between or beyond this categories?
- How do managers approach strategy?
- Why strategies are as now stated –the rationale?
- How Canal 22 handles the strategies with a specific emphasis on their understandings and efforts to provide public service media?
- How the strategies are developed? What is the process? What kind of answers related to the strategy formation process will be deduced according to the information the company communicates and the information staff of the company gives? (Mintzberg, 1987) p.13).

In order to attempt to solve these questions is necessary to understand in depth some relevant theoretical contributions about strategy and the complex process of elaborating them. Thus, in the following subchapters the contributions of Mintzberg about strategy and the process of strategy formation will be presented. They will be used as the theoretical framework of this research work.

Five Dimensions of Strategy: the Five Ps

As mentioned above, it is important to present detailed notions about strategy that will help the researcher to investigate the *strategy formation process in Canal 22* and this way obtain as accurate findings as possible as well as sound conclusions as possible. Thus, the researcher will use the notions presented in the following paragraphs, as well as in the

remaining of this chapter, as theoretical resources throughout the research, for instance: 1) when elaborating the research instrument; 2) when carrying out interviews; 3) when doing the analysis and discussion; as well as 4) when generating conclusions.

Henry Mintzberg makes an important contribution to the study of strategy. He argues on the importance to rely on more definitions about strategy. According to him, the “explicit recognition of multiple definitions can help practitioners and researchers alike to maneuver through this difficult field” of management (1987, p. 1). Mintzberg proposes an eclectic approach –“to gain complementary insights into a subject [by using] different theories [and ideas]” (Wikipedia, 2015). He makes contributions to the concept of strategy by capturing the meaning of it in five definitions. They are recognized as the five Ps of strategy: strategy as a plan, pattern, perspective, ploy, and position. The five Ps offer comprehensive understandings of what strategy is. Each P covers a different dimension of strategy. The five Ps reduce misunderstandings “and thereby enrich our ability to understand and manage the processes by which strategies form” (Ibid., p. 21). They are explained with detailed in the next pages.

Intended Plans and Realized Patterns

Strategy can be both, a plan and a pattern. When *strategy is a plan*, it describes the intention of doing something looking ahead into the future, a path that starts at some point and it is expected to end at another point. It denotes the need to take action on something so that something is directed forward. A plan is an *intended strategy*. On the other hand, *strategy is a pattern* when “there is consistency in behavior over time” (Mintzberg, Ahlstrand & Lampel, 2008, p.10). The pattern indicates what it was “actually pursued over the past” (Ibid). Thus, the pattern is a strategy when there is a consistent arrangement in a stream of actions (Mintzberg, 1987, 12). Plans are done for the future, while patterns emerge progressively and consistent with what has been done in the past. Thus, a pattern is a *realized strategy*.

Deliberate strategies are those intentions that become completely realized. Those that do not become realized receive the name of *unrealized strategies*. On the other hand, *emergent strategies* are when a pattern is realized and it was not specifically intended. In this case, actions are taken progressively; they converge overtime with a degree of consistency. Intended strategies are unlikely to become fully realized. On the other hand, realized strategies not always have been fully unintended. This is because reality “involves

some thinking ahead as well as some adaptation en route” (ibid.). Thus in most of the circumstances, events will fall somewhere in between plans and patterns, and in between intended and realized strategies. Generally, strategies neither are fully deliberate nor fully emergent. If a strategy is fully deliberate, it means that throughout the process there has not been any learning. On the other hand, if a strategy is completely emergent, it implies that along the process there has not been exercise of control. The balance means when there is exercise of control while fostering learning” (ibid., p.12) Thus, according to Mintzberg, strategies have to form as well as to be formulated.

Strategy as Ploy

Ploy means “a specifying ‘*manoeuvre*’ intended to outwit the opponent” (Mintzberg, 2008, p.15). Thus, “threats and feints . . . are employed to gain advantage”. As ploy, strategy develops within a “dynamic setting, with moves provoking countermoves”. Thus, statements made out of strategies do not always say what they mean. “Ostensible strategies as ploys can be stated just to fool competitors” (Mintzberg, 1987, p.20).

Interestingly, an equivalent of Mintzberg’s definition of ploy is found within the Oxford Dictionary describing the word *stratagem*. The definition is as follows: “a plan or scheme, especially one used to outwit an opponent or achieve an end: a series of devious stratagems”. (2015). The origin of stratagem is from the late 15th century, “originally denoting a military ploy” (Ibid.) Stratagem has the same latin origin as strategy.

Strategy as Position

The position is the place where the organization is located within the environment. Words such as niche, domain and rent stand for position as well. “Strategy becomes the mediating force between organization and environment, that is, between the internal and external context” (ibid., p.15). Position as strategy can prevent or encourage competition and cooperation with other players or the environment in general. According to Rumelt, “strategy is creating situations for economic rents and finding ways to sustain them, that is, any viable position, whether or not directly competitive” (as cited in ibid).

Strategy as Perspective

Perspective is “an ingrained way of perceiving the world” (Ibid, p.16). Perspective “suggests above all that strategy is a [shared] concept”. Thus, it is an abstraction within the “minds of the interested parties —those who pursue them, are influenced by that pursuit, or care to observe others doing so” (Mintzberg, 1987, p.16). Thus, strategy as perspective

lies within the “realm of the collective mind —individuals united by common thinking and/or behavior” (Ibid., p. 17).

Peter Drucker offers a very insightful description of perspective as the “theory of the business” (Mintzberg, 2008, p.13). Theory of the business is defined as follows:

The assumptions on which the organization has been built and is being run These are the assumptions that shape any organization’s behavior, dictate its decisions about what to do and what not to do, and define what the organization considers meaningful results. These assumptions are about markets. They are about identifying customers and competitors, their values and behavior. They are about technology and its dynamics, about a company’s strengths and weaknesses. These assumptions are about what a company gets paid for. (Drucker, 1994, p.95-6)

According to Drucker, there are three kinds of assumptions: 1) assumptions about the environment (“what an organization is funded for”), 2) assumptions about the mission (“how it envisions itself making a difference in the economy and in the society at large”) and 3) assumptions about core competencies (“where an organization must excel”). For the theory of the business to be valid, those three areas of assumptions “must fit reality” and must “fit one another”. In addition, theory of the business “must be known and understood throughout the organization” and it “has to be tested constantly” Any company willing to have a valid, consistent and focused theory requires a lot of “hard work, thinking and experimenting” (Ibid).

The theory of the business of any organization does not last forever, theories become “obsolete and then invalid”. Organizations need to monitor and test theory of the business, make an early diagnosis and that way be able to “take effective actions in order to change policies and practices, bringing the organization’s behaviors in line with the new realities of its environment, with a new definition of its mission, and with new core competencies to be developed and acquired” (Ibid., p. 101)

It is worth noting that the five Ps can be compatible and complement one another in significant ways. Therefore these five definitions form relationships among them. “In some ways [the five Ps] compete (in that they substitute for each other)”. Yet, “no one relationship, nor any single definition for that matter, takes precedence over the others” (Mintzberg, 1987, p. 20).

Ten perspectives of strategy formation

The theoretical framework of this thesis covers ten different perspectives or schools for strategy formation. According to the authors behind this classification, Henry Mintzberg, Bruce Ahlstrand and Joseph B. Lampel (2008), the schools serve as a comprehensive framework and guide through strategy creation.

The schools offer a diverse, comprehensive and rich source of contrasting, yet complementing, ideas and insights developed about strategic management and strategy formation. Thus, they offer an excellent foundation throughout the analysis of the organizations under study. Furthermore, these schools will serve as the theoretical backbone on which insights and implications for the enhancement of the strategy formation process of the case study, Canal 22, will be developed. The motivation for choosing this theoretical framework over other alternatives is that the 10 schools serve as a broad and diverse assortment of theories.

“High performing firms appear capable of blending competing frames of reference in strategy making” (Ibid., p. 20). In line with this thought expressed by Mintzberg et al. this thesis aims at carrying out research of Canal 22 by elaborating analysis and gaining understandings based on a theoretical foundation that includes as well a blend of competing frames, with the goal to produce valuable insights useful for the companies with the nature similar to that of Canal 22.

In the following pages, the 10 schools will be divided and presented in two parts, basically divided with the logic of essential approaches: 1) the planned, intentional, rational approach and 2) the emergent, responsive, adaptive approach.

Prescriptive Schools

—The planned, intentional, rational approach

One perspective that is considered during the study of the strategy formation process in Canal 22 is that one covered by the prescriptive schools. They deal with the question of *how strategies should be formulated* (Ibid., p. 5). The design, the planning and the positioning schools are prescriptive. They are presented next.

Design School

In this school, strategy making consists basically in focusing the efforts to make a “match, or fit, between internal capabilities and external possibilities” (Ibid., p. 24). The external possibilities are threats and opportunities outside the organization. The internal capabilities are the strengths and weaknesses within the organization (Ibid.).

Strategy formation is deliberate. Strategies are simple, unique and created according to particular circumstances. “The design process is complete when strategy appears fully formulated, as perspective” (Ibid., p. 33). The central actor is the chief executive who is the leader and the strategist. According to Michael Porter, the “job for a leader is to provide discipline and the glue that keeps the organization together” and make sure every member of it knows and understands what the strategy is about (as cited in Ibid., p. 34). The leader is responsible for the trade-offs, this means that he has to recognise and seize what is relevant and consistent for the organization’s strategy and discard everything else. Strategy is “something that a company is continually getting better at –so [the leaders] can create a sense of urgency and progress while adhering to a clear and very sustained direction” (as cited in Ibid.) In the design school, strategy and tactics are remarkably separated from one another, thus “thought must necessarily precede action” (Ibid., p. 36) and “structure must follow strategy” (Ibid., p. 33).

In the researcher’s opinion this school offers somehow “black and white” kind of ideas. This is based on the opinion that nowadays it feels difficult to think of a complete design process, especially when the media industry changes continuously and in unpredictable ways. In addition, what happens to the strategy formation process within the organization if the chief executive fails to perform successfully his mission as leader and strategist?

The planning school

Strategy formation is somewhat restricted and it is approached by the formulation and implementation of plans. Thus, strategic planning consists of financial analyses and “the quantification of goals as a means of control”. Internal weaknesses and strengths are

evaluated. Checklists and tables are produced after every assessment. Also the external conditions are assessed by using multiple techniques, for instance, the scenario building technique, which helps in visualizing or forecasting possible future sceneries and conditions for the organization. (Ibid., p.53-4)

In this school, “strategies are not evaluated or developed [as] much as delineated. And not one but several are delineated, so that these can be evaluated and one selected” (Ibid., p. 54). The implementation of strategies gives rise to a set of hierarchic ladders and activities framed and driven by periodic cycles. For instance, the long term “‘strategic’ plans sit on top, followed by medium-term plans, which in turn give rise to short-term operating plans for the next year” (Ibid., p. 55). There are as well more hierarchies such as sub strategies for the different units of the organization (i.e. business strategy and corporate strategy), hierarchy for objectives and hierarchy for budgets etc. (Ibid.). The chief executive and the process “rests with the chief editor”. The planners are responsible for the implementation of the strategy. If any, position rather than perspective is what defines better the strategies of this school. Thus, in this school “[s]trategies result from a controlled, conscious process of formal planning, decomposed into distinct steps, each delineated by checklists and supported by techniques” (Ibid., p. 60).

The case study, Canal 22, develops a Mid-Term Institutional Program—Programa Institucional de Mediano Plazo. This program describes long and medium term strategies and plans. This and other practices in Canal 22 resemble a lot the notions of the planning school. But this will be properly discussed with more detail in the analysis section.

The positioning school

In this school strategies are deliberate as well as positional. The “industry structure” drives strategy, which in turn precedes “organizational structure”. Analysts are responsible for the strategy process while the directors at the top choose from the final choices. Among some remarkable contributions to this school are Michael Porter’s concepts. For instance:

1. Value chain: This “provides a systematic way of examining all the activities a firm performs and how they interact” with one another (Porter as cited in Ibid., p. 108). The value chain “can be disaggregated into primary and support activities” (Ibid.).

2. The model of competitive analysis: This model “identifies five forces in an organization’s environment that influence competition”: the threat to new entrants, bargaining power of firm’s suppliers and bargaining power of firm’s customers.
3. The generic strategies: These are divided according to the scope and the competitive advantages of the business. In the planning school the process of strategy formation consists of selecting a strategy from the generic strategies. The selection is supported by using analytical tools that make a match between “the right strategy to the conditions at hand” (Ibid., p. 87). Below are Porter’s generic strategies.

Even when the positioning school’s contributions have become very popular among scholars and professionals, they do not ultimately help to fully answer *how strategies do form*. It is necessary to explore alternative contributions to the topic. Next are covered the descriptive schools of strategy formation.

Descriptive Schools

—The emergent, responsive, adaptive approach.

Another perspective that is considered during the study of the strategy formation process in Canal 22 is that one covered by the descriptive schools. These schools are clearly “less concerned with prescribing ideal strategic behaviour than with describing how strategies do, in fact, get made” (Ibid., p. 6). Somehow, these descriptive schools result more promising for the researcher, who is aiming to gain insights to discover how strategies do form, what the strategy formation process is like in Canal 22. The entrepreneurial, cognitive, learning, power, cultural, environmental, configuration schools are descriptive. They are presented in the following pages.

The entrepreneurial school

Strategy formation is a subconscious, visionary process, “rooted in the experience and intuition of the leader”. Thus strategy is a malleable vision, perspective, and “a sense of long term direction”. The strategy exists within the leader’s mind, either conceived or adopted. Strategy has a tendency to be both, “deliberate in overall vision and emergent in how details of the vision unfold”. The structure of an entrepreneurial organization tends to be small, simple and a protected niche as the preferred position. (Ibid., p. 149) Canal 22 is investigated from 1993, when it was created. It will be interesting to find out if the early years of the channel reveal notions and descriptions of the entrepreneurial school.

The cognitive school

In this school the strategy formation is an emergent “cognitive process that takes place in the mind of the strategist“. (Ibid.) Strategies develop as mental “perspectives –in the form of concepts, maps, schemas, and frames- that shape how people deal with inputs from the environment” (Ibid.). Strategists “developed their knowledge structures and thinking processes mainly through direct experience. That experience shape what they know, which in turn shape what they do, which shapes their subsequent experience . . . [There is] an interplay of reflection and action”

There are two divergent ideas within this school: 1) the *positivistic*. Here the cognitive outcome of the thinking process is an objective vision of reality. Cognition re-creates reality. Strategy is vision. 2) The *subjective*. The outcome of the thinking process is merely an interpretation, which depends on strategist’s perception. Cognition creates *reality*. Strategy is interpretation.

The learning school

This school describes strategy formation as a learning process, which is emergent, serendipitous and meritocratic. The contributions of this school are very “humane”. And the position of this research is that the strategy formation process is per se very humane as it evolves within organizations made by people.

Mintzberg et al. recognize that “every failure of implementation is also, by definition, a failure of formulation. But the real problem may lie beyond that: in the very separation between formulation and implementation, the disassociation of thinking from acting” (Ibid.). This observation that Mintzberg et al. do is highly important at the time the research makes the research analysis and obtains the findings.

Strategy formation is a “process of learning over time, in which, at the limit, formulation and implementation become indistinguishable” (Ibid., p.217). During the strategy formation process and throughout the implementation, as well, not only the leader learns but the rest of the members within the organization do learn as well. Thus, all members learn as part of the “collective system”. The leader is not the only strategist within the organization, “there are many potential strategists”. What the leaders do is rather to manage “the subtle relationships between thought and action, control and learning, stability and change”. Within the learning school, “strategies appear first as pattern out of the past, only later,

perhaps, as plans for the future, and ultimately, as perspectives to guide overall behavior". (Ibid.)

The strategies develop and materialize across the organization, irrespectively of the hierarchies and silos within the organization. For instance, sometimes initiatives rising across the organizations "are picked up by the managerial champions who promote them around the organization. . . . [S]uccessful initiatives create streams of experiences that can converge into patterns that become emergent strategies. Once recognized, these may be made formally deliberate" (Ibid.).

Other contributions within the learning school about strategy formation are:

- Incrementalism: "organizations do arrive at strategies as integrated conceptions". According to Quinn,

The real strategy tends to evolve as internal decisions and external events flows together to create a new, widely shared consensus for action among key members of the top management team. In well run organizations, managers pro-actively guide these streams of actions and events incrementally towards conscious strategies.

(as cited in Ibid., p. 190)

- Evolutionary theory: routines as responsible for generating change. A routine "requires adapting to the context" (Ibid., p. 195). Thus, routines are not the exactly the same each from one time to the next, there are little changes, this means that routines change eventually. As a result, some routines emerge while some disappear, etc.
- Strategic venturing: "strategic *initiatives* often develop deep in the hierarchy and are then championed, or given *impetus*, by middle-level managers who seek the *authorization* of senior executives" (Ibid., p. 196). Pinchot introduces the concept of *intrapreneurship* to describe the members within the organization who "act deep

within the corporate hierarchy, as internal entrepreneurs” using their creativity and abilities as their primary resources (Ibid.).

- Retrospective sense making: according to Weick “all understanding originates in reflection and looking backward” (as cited in Ibid., p. 207). “We need order, but that gives rise to anomalies, and these in turn cause us to rearrange our order” (Ibid.).
- Core competence: consistent with Hamel and Prahalad, “competitive advantage derives from deeply rooted abilities which lie behind the products that a firm produces” (as cited in Ibid., 219).
- Strategic intent: “envision a desired leadership and establishes the criterion the organization will use to chart its progress” (Hamel & Prahalad as cited in Ibid., p. 220).
- Stretch and leverage: according to Hamel and Prahalad, the stretch is the “misfit [or gap] between [an organization’s] resources and [its] aspirations (Hamel and Prahalad, 1993, p. 78). Therefore,

[m]anagement can leverage its resources, financial and nonfinancial, in five basic ways: by *concentrating* them more effectively on key strategic goals; by *accumulating* them more efficiently; by *complementing* one kind of resource with another to create higher order value; by *conserving* resources wherever possible; and by *recovering* them from the marketplace in the shortest possible time.

(Ibid., p. 78)

According to Hamel and Prahalad, strategy as stretch is:

- Strategy by design –“top management has a clear view of the goal line”.
- Strategy by incrementalism, -“top management must clear the path for leadership meter by meter”. (Ibid., p.84).

Almost 20 years later, within his book, *What Matters Now*, Hamel confirms his notion of stretch and adds: “Groundbreaking ideas are born in the gap between aspirations and resources; they are the product of stretch, not slack. When resources start to substitute for creativity, it’s time to short the shares” (2012).

The power school

The strategy formation within this school is “a process of negotiation”. Power and politics are present in any organization’s processes, activities and decision-making such as in the strategy formation. Thus, strategy formation is “an overt process of influences, emphasizing the use of power and politics to negotiate strategies favorable to particular interests”. The bigger the organization is, the wider and broader set of influences that are executed. Power means “the exercise of influence beyond the purely economic”. Politics denotes “the exploitation of power in other than purely economic ways”. (Mintzberg et al., 2008, p. 242-3)

Within the school there are two divisions: *Macro power* and *Micro power*. Micro power comprises the processes that happen within the organization. “[S]trategy making [is] the interplay, through persuasion, bargaining, and sometimes direct confrontation, in the form of political games, among parochial interests and shifting coalitions, with none dominant for any significant period of time” (Ibid., p. 272). Macro power contains processes that happen outside the organization, and “the use of power *by* the organization” (Ibid., p.242). The organization watches over “its own welfare by controlling or cooperating with other organizations, through the use of strategic maneuvering as well as collective strategies in various kinds of networks and alliances” (Ibid., p. 272). Mintzberg et al. conclude that the strategies within the power school are the result of an emergent process, on which strategies lie on the dimension of positions and plays rather than in the dimension of perspective. (Ibid.)

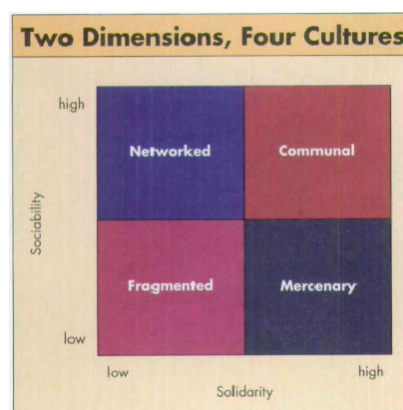
Canal 22 is an institution that is clearly and heavily driven by power and politics, not only because it is an organization as such, besides it is company that is governed by a Mexican government agency, that this in turn depends on the Secretariat of Education and this in turn depends on the Mexican Federal Government. It will be interesting to learn how much the findings mirror the notions and contributions of the power school.

The cultural school

According to R. Goffee and G. Jones, culture is the glue that holds together modern organizations. “Culture in a word, is a community. It is the outcome of how people relate to one another” (1996, p. 134). Community has two dimensions:

- Sociability: the “measure of sincere friendliness among members of a community” (Ibid.).
- Solidarity: the “measure of a community’s ability to pursue shared objectives quickly and effectively, regardless of personal ties” (Ibid.).

Within those two dimensions R. Goffee and G. Jones conceptualize 4 kinds of cultures based on the level of sociability and solidarity (see graphic below). Each of those cultures suits better in some environments than in others. Managers “must know how to assess their own culture and whether it fits the competitive situation. Only then can they consider the delicate techniques for transforming it” (Ibid.).



“Culture is essentially composed of interpretations of a world and the activities and artifacts that reflect these. Beyond cognition these interpretations are shared collectively, in a social process” (Ibid., p. 277). According to Mintzberg et al., “culture knits a collection of individuals into an integrated entity called organization” (Ibid., p. 276). The tighter the organization is knitted, the stronger the culture is.

Mintzberg et al. associates “*organizational* culture with collective cognition. It becomes the ‘organization’s mind’ . . . the shared beliefs that are reflected in traditions and habits as well as more tangible manifestations –stories, symbols, even artifacts, products and buildings” (Ibid., p. 277).

Within this school the strategy formation is conceived as a collective and social process driven by cultural forces –essentially tacit and unspoken “beliefs and understandings shared by the members of an organization” (Ibid., p. 281). Within the cultural school, the strategy is a deliberate shared perspective. Culture favors continuity of strategic perspective. Change is likely to occur as “shifts in strategic positions within the organization’s overall strategic perspective” (Ibid.).

Ideology is another important concept within the cultural school. Ideology is the strong set of beliefs, shared passionately by its members, that distinguishes [an] organization from all others” (Ibid., p. 279). Culture has an impact on in every dimension within an organization, for instance, it influences: 1) the interpretation of the environment; 2) the organization’s decision making; 3) the way issues are analyzed; 4) the logic “that acts as an information filter, leading to a focus on some data for strategy making while ignoring others” (Prahalad and Bettis as cited in Ibid., p. 283). As a result, culture influences the overall process of strategy formation (Ibid., p. 282).

The environmental school

Strategy formation is defined “as a reactive process” to the environmental powers (Ibid., p. 301). The organization is shaped during its early life in order to react “to the environment, but thereafter is increasingly unable to respond to the environment” (Ibid., p. 304). The fortune of the organization, and its chances for future survival are defined at the time the organization is being shaped. The environmental school positions “environment as one of the three central forces in the process [of strategy formation] alongside leadership and organization” (Ibid., p. 302). The strategy formation and the overall notion about strategy, within the environmental school, are rather complex.

According to Mintzberg et al., the environmental school has its foundations in contingency theory. Paul R. Lawrence and Jay W. Lorsch argue that an “organization is an active system which tends to reach out and order its otherwise overly complex surroundings so as to cope with them effectively” (1967). “Organizational effectiveness, therefore, depends on contingencies confronted through the organization-environment interface. Multiple organizational forms are needed to respond to environmental situations or contingencies confronted by an organization” (Farazmand, Ali, 2002, p. 32). Therefore, according to contingency theory “different situations give rise to different behaviors” (Mintzberg et al., 2008, p. 305).

Another important notion within the environmental school is the institutional theory. This theory is “concerned with the institutional pressures an organization faces in its environment” (Ibid., p. 310). The environment is defined as the “repository” of both resources, symbolic and economic ones. It argues that strategy is “finding ways of acquiring economic resources and converting them into symbolic ones [i.e. reputation, achievements, prestige], and vice versa, in order to protect the organization from uncertainty in its environment. Hence, the strategy process moves into . . . ‘impression management’” (Ibid., p. 311). According to Leary and Kowalski, impression management is “the process by which [organizations] attempt to control the impressions others form of them” (1990, p. 34). Such impressions influence “how others perceive, evaluate, and treat them” (Ibid.).

The ideas mentioned above are complemented with the contribution of Meyer and Rowan about isomorphism:

Isomorphism with the environmental institutions has some crucial consequences for organizations: (a) they incorporate elements which are legitimated externally, rather than in terms of efficiency; (b) they employ external or ceremonial assessment criteria to define the value of structural elements; and (c) dependence on externally fixed institutions reduces turbulence and maintains stability. As a result, it is argued here, institutional isomorphism promotes the success and survival of organizations. Incorporating externally legitimated formal structures increases the commitment of internal participants and external constituents. And the use of external assessment criteria –that is, moving toward the status in society of a subunit rather than an independent system—can enable an organization to remain successful by social definition, buffering it from failure. (1977, p. 348-9)

Mintzberg complemented the environmental notion by adding a set of “systematic descriptions” or dimensions from the environment:

- Stability: ranging from stable to dynamic
- Complexity: ranging from simple to complex
- Market diversity: ranging from integrated to diversified
- Hostility: ranging from munificent to hostile (Mintzberg et al., 2008, p. 305-6).

In the researcher's opinion, the contributions of the environmental school are very significant in the study of strategy formation. This belief is explained by making an analogy between cities and organizations: The sociologist Saskia Sassen describes cities as incomplete open complex systems. According to her, cities talk back and enact the incompleteness. Within the incompleteness, cities have the opportunity of making. Closed systems become obsolete (2013, p. 209-10). Sassen's idea can be used in the context of organizations as well as in the process of strategy making. Both can be considered as incomplete, open to the environment and complex. Within that incompleteness they do have the possibility of making. And if closed, they become obsolete.

The configuration school

The core ideas of this school evolve from two concepts: configuration and transformation. Organizations "adopt states of being" as configurations. Strategy formation is a process of transformation with the purpose to leap from one configuration to another, resulting in a revitalizing turnaround. "[T]ransformation is an inevitable consequence of configuration" (Ibid., p. 318). It is worth noting that there are times of consistency and stability between the quantum leaps or turnarounds.

An Organization has a stable configuration when it is going through a time of consistency. Therefore, "it adopts a particular form of structure matched to a particular type of context which causes it to engaged in particular behaviors that give rise to a particular set of strategies" (Ibid., 321). During this period of time, the "key to strategic management, therefore, is to sustain stability or at least marginally adaptable strategic change most of the time, but periodically to recognize the need for major transformation and be able to manage the disruptive process without destroying the organization" (Ibid., p. 322). This school incorporates many of the notions from the previous nine schools of strategy formation. According to Mintzberg, "the schools of thought on strategy formulation themselves represent particular configurations. (Ibid., 322).

Although the notions of the configuration school are good, this school ignores, in the researcher's point of view, the emotions, feelings and motivations of members within the organization. Anyhow, it is worth to consider with more detail 2 essential contributions of this school: configurations and transformation. They are presented next.

Configurations

According to Miller and Whitney configurations are "constellations of organizational elements that are pulled together by a unifying theme, such as unequalled service or pioneering invention" (1999, p. 5-6). There are two constellations:

- 1) The core constellation: It is composed by the following three elements:
 - a. Mission: the focus, objectives, motivations, values and ideals of the organization.
 - b. Means: core competencies, which are "the fundamental abilities and resources required to accomplish the mission" (Ibid., p. 6).
 - c. Market: the fit between means and the needs of outside parties. "Means matter only when the market values them, and especially when competitors cannot match them" (Ibid., p. 10-1).
- 2) The support constellation: "systems, processes, and structures that support the core constellation" (Ibid., p. 6).

Configurations consist of two things: "(1) making choices about what a company does and how it will do it, and (2) ensuring that the things a company does reinforce each other" (Ibid.). It is worth noting that *the theory of the business* by Peter Drucker, resembles substantially this notion about configurations. Both agree that for an organization to be successful, the *organizational elements*, as said by Miller et al. or *assumptions*, as said by Drucker: mission, means (core competencies), market (environment) and support system (continuous testing) must fit one another, and must make a match with reality. Whether it is a *theory of the business* or a *configuration*, it is worth noting that they become destructive and invalid if they do not meet the current trends and needs of our times. After all, according to Rumelt, "structure also follows fashion" (1974, p. 149).

Transformation: the many dimensions of change

One might argue that even though change cannot be predetermined as a result, the process must be managed. According to Mintzberg et al., change should be allowed to

happen by creating “the conditions whereby people will follow their natural instincts to experiment and transform their behavior” (2008, p. 343). An organization should simply keep on improving itself and continually change will happen.

There are many possible ways to understand and deal with change. An interesting example is the *cube change*. According to Mintzberg, put change into a comprehensive perspective. Within any organization, change covers two dimensions:

- 1) Strategy: it is the direction where the organization is headed. Strategy includes elements such as: vision, positions, programs and products.
- 2) Organization: “the state it is in”. Organization includes elements such as culture, structure, systems and people.

For each dimension, two variables are juxtaposed:

- Degree of abstractness. A comprehensive change within any organization covers all the dimensions. The most conceptual elements, vision and culture, are the broadest aspects within an organization. People and products are rather particular; they can be changed without happening a change in the broader elements above them. But broader issues, such as culture and vision, cannot be changed without changing the more concrete aspects. (Ibid., p. 345).
- Degree of formality: The dimensions can range from the informal towards the formal. For instance, strategic positions can be deliberate or emergent. Staff can be trained by using formal instruction or informal coaching. (Ibid., p. 344-5)

Integrating notions of the 10 Schools within the Strategy Formation Process

To conclude the presentation of the theoretical framework, it is worth acknowledging that *any theory of strategy making does not exist so far* (Hamel, 1997). Mintzberg et al. (2008, p. 390) describe *strategy creation as a black box*. It is a mysterious area in which none of the schools of strategy formation has been able to figure out the actual process of strategy formation.

Throughout the research, the strategy formation process in Canal 22 is seen *through* as an integrated whole, taking into account the 10 schools and beyond. In which, depending the case, strategy formation tilts more towards some aspects than others. Therefore, in this research, strategy formation is not seen as a single process in compliance with only one school, unless the research findings demonstrate the opposite. (Ibid., p. 390-2)

Normative Foundations of Public Service Media

As already mentioned in the case study chapter, there is contention of whether Canal 22 is or is not a PSM company. It was decided that throughout the research it would be treated as one. Some features of Canal 22 resemble to some extent the normative tradition of *social responsibility*. This is due to the intrinsic connection between *public service media* and the *social responsibility* theory. In the following section normative theories of the media are briefly introduced. This in turn will be followed by another section where social responsibility theory is presented with more special detail.

Normative Theories of the Media

Normative theories of the media are a set of norms and standards based on ethical criteria –in favor of what is morally good and correct from what is not. They are the collection and framing of ideas and expectations that have been expressed by media’s interested parties, society and the overall public opinion. These theories are applied into the media activities, such as those of Canal 22, by setting the “expectations concerning the structure, conduct and performance of the media” (McQuail, Denis, 2010, p. 185).

It is worth noting that although the theoretical notions describe the ideals and standards that should serve as the moral foundations when performing media activities, they do not describe how these activities are actually performed (Ibid.). As a result, sets of normative models of the *press*, and more recently of *broadcasting* and *media*, have been proposed. Three models are briefly introduced in the following paragraphs.

The first instance is Four Theories of the Press: the Authoritarian, Libertarian, *Social Responsibility* and Soviet Communist concepts of What the Press Should Be and Do by Fred Siebert, Theodore Peterson, and Wilbur Schramm. At the time these theories were written, they represented “philosophical and political rationales . . . which lie behind the different kinds of press” (1963, p. 2). Each theory represented a different press system and what it was expected to be and do. According to the authors, *a press system is shaped by the particular social system it is part of*. Each social system is composed by certain values, beliefs, traditions and principles. The result is a range of different press systems.

The authors of this book argue that “the press always takes on the form and coloration of the social and political structure within which it operates. Especially, it reflects the systems of social control whereby the relations of individuals and institutions are adjusted” (1963, p. 1-2). This helps us understanding the character and qualities of Canal 22. For many, Canal 22 is not PSM. However, it can be argued a different posture and say that it is PSM within the Mexican context. This is because Canal 22 takes its especial form and coloration based on the Mexican social and political structure as well as those events that have shaped Mexican history. And it can be argued that perhaps it is an idealist position to expect to have in Mexico a PSM company just as those that belong and have shaped the European tradition of PSM.

Denis McQuail describes the second model. He has proposed as well a set of normative theory models of the media: 1) the liberal-pluralist or market model; 2) the professional model; 3) the alternative media model and 4) the *social responsibility* model. According to him, these models represent a set of consistent and common ideological and practical features “of a media system that has a single underlying normative principle” (2010, p. 184).

William Hachten developed the third model. He used the *Four Theories of the Press* as part of his theoretical framework and proposed a revaluation and extension of it in this book *The World News Prism: Challenges of digital Communication* (2011). He covers five dimensions described as today’s “political concepts of the press” which portray “differing perceptions about the nature and role of journalism and mass communication . . . rooted in divergent political systems and historical and cultural traditions” (Ibid., p. ?). The concepts are: 1) Authoritarian, 2) Communist, 3) Revolutionary. Plus, two more concepts that are of relevant for the case study:

- 4) Developmental. Canal 22 operates within Mexico, a developing nation. For this reason, the *developmental* concept results relevant as it is “a declining pattern associated with the developing nations, most of which lack adequate media resources, as well as effective political and economic institutions” (Ibid., p. ?).
- 5) Western. In the Western concept the press is framed by Western democracies with market economies and contains elements of liberalism and social responsibility. Canal 22 can be fall into this concept due to the fact that Mexico is a “democracy”

with market economy and contains elements of liberalism as well as social responsibility.

Each of Hachten's normative concepts "reflect how the media ideally should perform under certain *political* conditions and *social* values". He states that "[a]s the twenty-first century rolls along, *political ideology* is becoming less important as a *raison d'être* for press concepts or theories" (Ibid.). Issues and trends related to globalization and digital communications are well included in Hachten's set of concepts.

Social responsibility

In 1942, it was set up a private commission aiming to investigate the overall issues related to the press in the United States. For instance, issues about censorship, freedom of expression, whether it was succeeding or failing in performing its tasks and the circumstances and reasons of such outcomes. The commission was in favor of a "diverse, objective, informative and independent press institution which would avoid causing offence or encouraging crime, violence or disorder. Social responsibility should be reached by self-control, not government intervention. However, the later was not ruled out" (McQuail, 2010, p.170). Years later, there was a commission's report issued in 1947. (Ibid., p. 181) The report established journalistic standards by which the press should be driven. The concept of *social responsibility* was coined within this report.

In the book, *Normative Theories of the Media*, Christians et al. (2009, p. 5) argue that *Four Theories of the Press* has contributed to "the consolidation of thought regarding the media's responsibility to society" resulting the *Social responsibility Theory*. Even though for many *Four Theories of the Press* is an outdated book, it explains in an exceptional way the central notion to which social responsibility theory spins around. The *notion consists of a positive freedom for versus a negative freedom from*. Thus, it is a freedom for "the search and attainment of the purposes defined by its unavoidable ethical sense and by the basic social needs it is supposed to serve" versus a freedom from "any restraints and pressures from its functioning" (Murdock, Sousa, Wasko, 2011, p. 287).

The motivations and ends for the establishment of the press, followed by broadcasting, have been others than just commercial ends. Above monetary purposes, they have been established to provide to the society with impartial, plural, diverse, neutral and independent

information, and to guarantee to each and everyone within the society has access to it. For instance, in Europe after difficult socio political times and the post war, broadcasting embraced the role of being the information provider to the citizenry. “The idea of social responsibility was shrined in various public broadcasting bodies” (Ibid., p.10). They were publicly financed and independent from the political powers, with an established remit and a system that would make sure everything is properly functioning.

Social responsibility states, idealistically, that government must allow, promote, legislate in favor of the press, and if needed more measures to safeguard the public interest, it may interfere and participate within the media field. Media ownership is a public trust, it should be self-regulated, follow codes of ethics and maintain a professional conduct, and be free for carrying its mission of informing. Media should be accountable to society and provide it with truthful, accurate, fair, objective and relevant new media. In practice, there are always many different interests, values and motivations involved media activities. A lot of contention is generated, and thus what government and media are responsible for is not fulfilled.

It can be concluded that normative models, including the social responsibility theory, set the standards and ideals for media organizations’ performance including operations and activities. However, normative theories do not describe reality as it is. As stated by Hachten and Scotton:

[M]edia “always and everywhere, function within some kinds of governmental, societal, and economic constraints. . . . In the relationship between government and mass communication, the basic question is not whether government controls the press but the nature and extent of those controls. . . . Absolute freedom of expression is a myth. (2011, p. 25)

Public Service Media (PSM)

The foundation of PSM: Broadcasting

At its early beginnings, between 1920s-1930s, across the Western world, *public broadcasting* was developed under the rationale that government would regulate and

manage the use of the scarce and limited availability of wavelengths (Christians et al., 2009, p. 10; McQuail, 2010, p. 190). The intervention of government was also justified in order to safeguard issues related to the accountability and social responsibility of broadcasters. Soon it evolved into a medium expected to be more accountable and more reliable than the press, expected to promote pluralism and diversity, and to safeguard democracy and cultural values within the society. The press shared with broadcasting the task of providing information to society. “The idea of *social responsibility* was enshrined in various public broadcasting bodies. They were designed to be publicly financed and independently directed, subject to the goals and rules laid down, and reviewed by elected governments” (Christians et al., 2009, p. 10).

According to UNESCO,

Public Service Broadcasting (PSB) is “broadcasting made, financed and controlled by the public, for the public. It is neither commercial nor state-owned, free from political interference and pressure from commercial forces. Through PSB, citizens are informed, educated and also entertained. When guaranteed with pluralism, programming diversity, editorial independence, appropriate funding, accountability and transparency, public service broadcasting can serve as a cornerstone of democracy.” (2015)

McQuail defines PSB a system that is established by law and publicly finance. The rights of editorial freedom and operating independence are guaranteed. “The general rationale for such systems is that they should serve the public interest by meeting the important communication needs of society and its citizens, as decided and reviewed by way of the democratic political system. (2010, p. 178).

The foundations, character and “logic of operation” of PSB vary from country to country. There is not a definition that would describe systematically each and every different PSB system around the world. In despite of it, McQuail gathers a set of ideas that persist as goals for the diverse PSB systems: 1) Universality, 2) Diversity in providing for all main tastes, interests and needs as well as matching the full range of opinions and beliefs; 3)

Provision for special minorities; 4) Concern for the national culture, language and identity; 5) Service to the needs of the political system; 6) Provision of balanced and impartial information on issues of conflict; 7) Concern for 'quality', as defined in different ways; 8) Set the public interest before financial objectives (2010, p.191).

The *raison d'être* of PSB and the justification of existence is the distinctiveness of its mission: it cares for the public interest and welfare of society. It has the calling to deal with each and every gap within the communications realm that the commercial media systems are incompetent or unwilling to fulfill in a democratic society. (McQuail, 2010, p. 588).

Switching the noun: from public service 'broadcasting' to public service 'media'

Digital technologies enable novel and fresh ways to communicate, inform and entertain. It is no longer surprise that broadcasting companies need and must operate and participate into new media platforms beyond traditional radio and television. The European Broadcasting Union describes that PSBs "are developing ways of extending and applying their remits to accommodate their audiences scattering into online spaces. . . . [W]ith a dramatically expanding market and shifting consumer behaviour, many broadcasters now perceive the risk of under-engagement as greater" when compared to other attempts' risks. (2007, P. 9).

Lowe and Bardoel, portray the transition from public service broadcasting towards public service media in a meaningful, comprehensive and insightful way. They reveal important dimensions that are changing: a) from *transmission mode* into *communications mode*; b) from *information society* into *interaction society*; c) from *one-way technologies* towards *networking and interactive technologies*; d) from *supply driven (push)* into *demand driven (pull)*:

The evolution from a transmission mode to a proper communications mode demands that public service broadcasters learn to be public service communicators.

This is crucial because media-society relations are likely to be less about the 'information society' than the 'interaction society'. The combination of one-way media technologies and the Enlightenment-orientated paternalistic assignment of

the last 80 years produced a supply-driven (or push) PSM culture. What is now needed is a demand-driven (or pull) PSM culture. (2007, p.17)

“The transition from traditional broadcasters to contemporary multimedia firms is complex, with many dimensions that all require change” (Lowe and Berg, 2013, p.78). Such change takes the form of a *quantum change*. This is explained by the fact that there is transition from the old *PSB configuration* into the new *PSM configuration*. Handling this quantum change requires organizations to focus and handle with care the *strategy formation process*, as they can become a fundamental and decisive asset for thriving in today’s media environment. Aware of this, the interest of this research is to investigate the strategy formation process in Canal 22.

The current structural break within the media industry poses a lot of opportunities and challenges. PSM has to find new and unique ways to continue to be relevant, and to *fit constructively and proactively within today’s reality, add value* to the media industry and *give value* to stakeholders and society at large. Emphasis and attention on the *company’s strategy formation process* can help managers to elaborate to the point powerful strategies that help to redesign the company’s business model formulated and targeted for today’s media market and society. According to Lowe and Berg, in order to achieve this, it requires “critical rethink of what public service in media means now, why it matters, to whom, at what cost, and with what objectives” (Ibid, p. 93).

An Outline of PSM

As previously discussed, efforts are being made in order to create a normative framework for PSM. One example is PSB 2.0. It includes “four normative criteria, inherent in a revised definition of PSB that can be applied to the online world: citizenship, universality, quality and trust”. This normative framework is elaborated within a democratic system called “enixe” democracy (Brevini, B., 2013, p. 52).

Within UNESCO’s publications it is recognized the notion of Public Service Media and the significance of making efforts for shifting from PSB towards PSM. Yet, UNESCO does not

provide any conceptual definition of PSM. The Broadcasting European Union [EBU] makes an effort to define Public Service Media as follows:

Public service media (PSM) comes in a variety of shapes. The traditional radio or television has developed to include digital platforms that meet the changing needs of how audiences consume media today. Our Members believe in a transparent world of communication for the common good, creating content that freely informs, educates and entertains the public, and continue striving to perform to the highest standards with moral integrity and maximum efficiency. They realise that trust is at the centre of the relationship with the audiences to ensure their place as the most credible, diverse and creative national media broadcaster. (2015)

EBU publishes *The Declaration on the Core Values of Public Service Media*. According to it, PSM functions on the foundations of six core values:

Universality - To reach and engage everyone and everywhere through the many platforms available, and through diverse media and formats. To be inclusive by offering contents to all without discriminating any segment of society. To provide plurality of ideas, beliefs and views. To set the conditions needed to form a cohesive public sphere on which there is a constant exchange and generation of information, ideas, and opinions.

Independence – To safeguard by law the ability to be impartial, independent, trustworthy and autonomous. To take care the work of journalists for the accomplishment of their mission to inform within the democratic society. To offer diversity of genres that are relevant to the audiences while supporting the formation of an informed citizenship. To maintain freedom from political and market driven ideologies and to be a challenger of prevailing assumptions.

Excellence – To operate and act with “high standards of integrity and professionalism and quality”. As well as to set standards of excellence for other participants within the media industry. Also, to empower audiences and society at large. And to acknowledge and act according to the fact that audiences are not only spectators, they are participants,

producers, co-producers and contributors in this new era of communications and digital media.

Diversity – Audiences are diverse and plural. This is why PSM is to provide something for everyone within that kaleidoscope of plurality and diversity. And at the same time, to be a medium that reflects and encourages the diversity and plurality of contrasting ideas, beliefs, views, cultures, religions, age, etc. “Conscious of the creative enrichment that can derive from co-existing diversities, we want to help build a more inclusive, less fragmented society”.

Accountability – Openness and transparency is embraced as a core value and standard when performing as a medium. PSM wants to engage into “meaningful debate”, serve as a medium where audiences and express their views and be heard.

Innovation – PSM is to be the “driving force for innovation and creativity” while boosting and encouraging the creation and implementation of new “formats, new technologies, new ways of connectivity”. For this, it is vital to set the conditions that enable PSM’s workforce to work and build efforts towards innovation. (European Broadcasting Union [EBU], 2012)

According to the *Declaration of the Committee of Ministers on Public Service Media Governance*, declared by the Committee of Ministers of the Council of Europe, Public service media has the mission of supporting the general public interest including “social progress, public awareness of democratic processes, intercultural understanding and societal integration, and to achieve this through a varied and high-quality mix of content”. PSM is expected to:

- provide information with a set of moral standards
- be accountable and transparent when performing its activities
- stay independent from political or economic powers
- be subject of public scrutiny
- serve the public in all its diversity including all minority and social groups
- Counterbalance the misuse of power in a context of media, service or platforms concentration

The Declaration recognizes that PSM is going through an “unprecedented period of transition. PSM faces challenges part of the transition into the digital, nonlinear, and interactive multimedia. As the same time, new technologies and media platforms give the supreme opportunity to enable PSM to fulfill its remit in effectively unprecedented ways. PSM should understand its public as active, engaging, co-creators.

The Four Interrelated Elements of the Research

To develop the research, it has been important to the researcher to consider and align the following fundamental elements of any social research (Crotty, 1998, p. 2-6; Salmons, 2015, p. 19-20):

- Methods: the “concrete techniques or procedures” used in the research process to gather and analyse the data (Crotty, 1998, p. 6).
- Methodology: The rationale “for the choice of methods and the particular forms in which the methods are employed” (Ibid., p. 7).
- Theoretical perspective: The assumptions about reality that we bring to our work that justified the selection of methodology and methods (Crotty, 1998, p. 2).
- Epistemology: The “way of understanding and explaining how we know what we know” (Ibid., p. 3). Epistemology is “the theory of knowledge embedded in the theoretical perspective and thereby in the methodology” (Ibid., p. 7).

In the following page Figure 1 shows the interrelationships between the purpose and questions of the research with these four elements plus the theoretical framework. After that, each of the four elements mentioned above is briefly and carefully explained to the reader with the purpose to clearly describe the rationale and foundations of the research process.

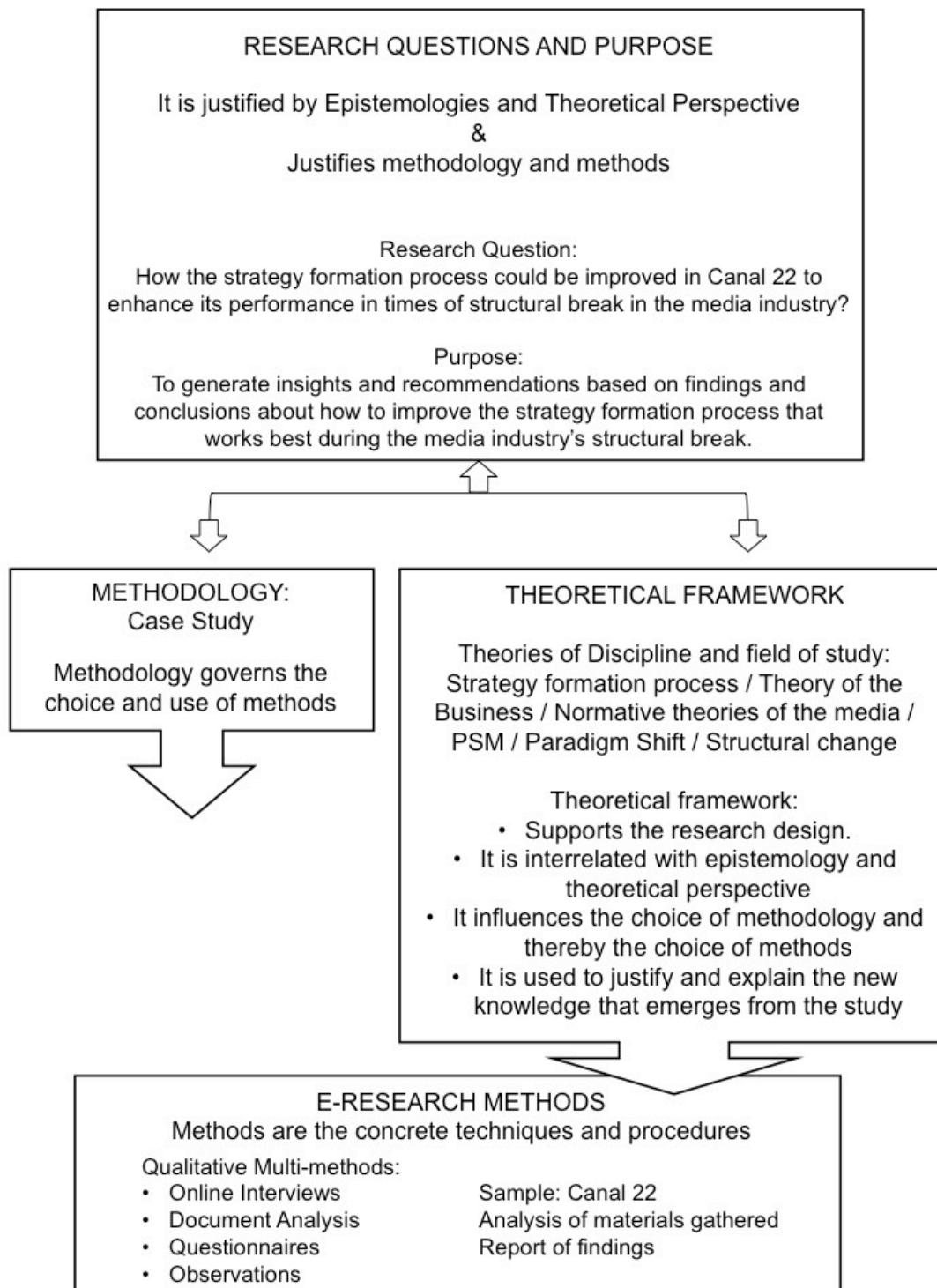


Figure. 1 (Crotty, 1998; Salmons 2015)

Epistemological foundation: Constructionism

The character of the epistemology embedded in this research is constructionist. According to Crotty, constructionism regards “knowledge, and therefore all meaningful reality as such, [as] *contingent* upon human practices, being constructed in and out of interaction

between human beings and their world, and developed and transmitted within an essentially *social* context” (1998, p. 42, emphasis added).

Another aspect to consider is that of culture. We inherit culture and it influences how we view the *meaningful reality socially constructed*. “Our culture brings things into view for us and endows them with meaning and, by the same token, leads us to ignore other things” (Ibid., p. 54). Therefore, constructionism can be not only *real*—in terms of substance—it is *relativist* at the same time. This is because interpretations are “historically and culturally affected” (Ibid., p. 64).

Thus, by acknowledging these attributes of constructionism, it is clear that the aim of the researcher throughout this research is to construct meaning instead of discovering it.

The researcher as bricoleur

On the epistemological dimension it is relevant to express a few words in regards to the researcher and her aim to embrace throughout the research a *bricoleur* character. In line with Lévi-Strauss—former contributor to the idea—*bricoleur* “is the notion of a person who makes something new out of a range of materials that had previously made up something different” (Ibid., p. 50). The researcher, as bricoleur, needs the skill to reassess and reinterpret the “bits and pieces, casting aside the purposes which they once bore and for which they were once designed and divining very different purposes that they may now serve in new settings” (Ibid., p. 51).

In this research the bits and pieces are the theories included within the theoretical framework, the materials gathered and analyzed with the research methods, the assumptions embedded in the constructionist epistemology and the theoretical perspective, etc. The researcher’s aim is to interpret theories and methods of strategy formation in new ways that serve best the settings of Mexican public service media organization, Canal 22, in the digital paradigm shift of 21st century.

Theoretical Perspective: Interpretivism as phenomenology

The selection and justification of methodology and methods is influenced by a set of assumptions about reality embraced by the researcher. This set assumptions about reality is embedded in the theoretical perspective. According to Crotty, theoretical perspective is

“the philosophical stance informing the methodology and thus providing a context for the process and grounding its logic and criteria” (1998, p. 2,3).

Interpretivism is the theoretical perspective reflected on this research. This approach “looks for culturally derived and historically situated interpretations of the social life-world” (Ibid., 67). *Phenomenology* is a form or a stream of the interpretivist approach. Some ideas of phenomenology make up the set of assumptions about reality that are contained throughout this research:

- *Culture is paradoxical*: According to phenomenology, through culture human beings when born are bestowed a “comprehensive set of meanings” while at the same time “it shuts us off from an abundant font of untapped significance” (Ibid., p. 71). This is why throughout the research process, the researcher is cautious of her own cultural context and the implications it entails.
- *Reality is complex*. Efforts to organize it and define it fail to express and represent the complexity of it. “[A] concept do not exhaust the richness of a phenomenon” (Ibid., p. 81). Thus, the researcher of this thesis aims to find herself throughout the research process within the “gap” between the concept’s inherent abstraction and the rich density of the web of phenomena” because it is precisely in that gap where reinterpretations of former meaning and new understandings materialize (Ibid., p. 81).

Throughout the research, the researcher aims at putting aside her bestowed set of comprehensive meanings and engages with research phenomena, make sense of it, and reexamine her immediate experience. The researcher is to be a critic and to “call into question what [she] takes for granted” (Ibid., p. 83). This way she has opportunities for the enhancement and reinterpretation of former meaning or the emergence of new understandings (Crotty as cited in Ibid., p. 78, & Ibid., p. 79, 82, 86).

Methodology: Case Study

Within the field of social research there are diverse ideas about the nature of *case study*. As a consequence, case study is described in a variety of ways, for instance it is described as a method (Crotty, 1998, p. 5), as methodology (Salmons, 2015, p. 26, 34-5), as an

approach to research (Hamilton, L. & Corbett-Whittier, 2013, p. 10) or as a gender (Elliott and Lukeš, 2008; Swales, 2004).

In this research paper, case study is approached as methodology. According to Crotty, methodology is a process that links “the choice and use of methods to the desired outcomes” (1998, p. 3). In agreement with Crotty’s definition, the case study is a “linear but iterative process” (Yin, 2014, p. 29) that *links the how and why question*—aiming to understand and explain in-depth a social phenomenon—to *the choice and use of methods*—qualitative online interviews, document analysis, qualitative questionnaires and observations.

According to Helen Simons:

Case study is an in-depth exploration from multiple perspectives of the complexity and uniqueness of a particular project, policy, institution, programme or system in a ‘real life’ context. It is [empirical] research-based, inclusive of different methods and is evidence-led. The primary purpose is to generate in-depth understanding of a specific topic (as in a thesis), programme, policy, institution or system to generate knowledge and/or inform policy development, professional practice and civil or community action. (2009. p. 21)

This definition can be complemented with a definition of case study portrayed as a research genre: “Case study as a research genre could then be defined as a way of framing a particularity (bounded unit), providing guiding principles for the research design, process, quality and communication (Swales as cited in Hamilton, L. & Corbett-Whittier, 2013, p. 10).

To further complete the two definitions mentioned above, it is important to add some extra features of case study research pointed by Robert K. Yin (2014):

- 1) The “boundaries between phenomenon and context may not be clearly evident”. This is why carefully framing and bounding the unit of research is important.
- 2) It does not exhaust the variables of interest potentially available for the study.

3) Data from different sources of evidence are converged “in a triangulating fashion”. In other words, different sources of evidence are juxtaposed and compared to determine the consistency of the findings.

4) The researcher benefits from the theoretical framework as it serves as a guide when doing the data collection and analysis. (Ibid., p. 16-7, 318)

According to Yin, social research calls for case study methodology when the research question is focused on and seeks to explain a contemporary social phenomena, an event or circumstance on “which a researcher has little or no control over behavioral events”. (Ibid., p. 30, 414). The more the question requires an explanatory and descriptive answer the more a case study methodology is justified (Ibid., p. 4).

In the following paragraphs the research design and the guiding principles for the research work of the single-case study are presented. Research design is understood as “the logic that links the data to be collected (and the conclusions to be drawn) to the initial questions of study” (Ibid., p. 60).

Common Single-Case Research Design

The rationale for the single-case research is that of a *common case*. According to Yin, a common case has “the objective to capture the circumstances and conditions of an everyday situation . . . because of the lessons it might provide about the social processes related to some theoretical interest” (Ibid., p. 93-4). In this case, the goal is to capture the circumstances and conditions of the strategy formation process in Canal 22 with the goal to gain theoretical and practical lessons. Thus, this case study research can be of interest in a varied array of fields such as Mexican media industry, companies with public character, cultural organizations, etc. The study can yield explanations, insights and new knowledge into an innovative strategy formation process or further research in related studies carried out by academics involved in management and public service media fields (Ibid.).

The single-case study has as well the rationale of a *longitudinal case*. This is because the theories included in the theoretical framework describe strategy formation as a process that deals with change. Therefore, it is relevant to analyze Canal 22 throughout its first 22 years of history.

The 5 Components of the Research Design

First Component: The Questions of the Case Study

This research investigates *how* the strategy formation process is in Canal 22 and *why* the process is as it is. As the study deals the '*how and why*' aspects of the strategy formation process, the researcher has chosen a single-case study as the appropriate research methodology (Ibid., p. 66).

Second Component: Research Proposition

Mexican media industry is continuing to adjust after the structural break it has had during the last decade. Within this context, the research proposition states that Canal 22's strategy formation process has aspects that can be improved. This improvement would likely support the company to enhance its performance. In this study, good performance is understood here as the company's success to carry out its mission while maintaining as well as increasing its relevance as a media company measured by its share of users and customers. Thus, the goal of the study is to show how Canal 22 can improve its strategy formation process. In other words, the researcher aims to define and ascertain the mechanisms that can be used to support the improvement of the strategy formation process.

Third Component: Canal 22 as the Unit of Analysis

The research includes a *single-case design*. The unit of analysis—the case—is the strategy formation process at the Mexican broadcasting company *Televisión Metropolitana S.A. de C.V.*, best known as *Canal 22*, operated by the National Council of Culture and Arts. Canal 22 is among the most popular public media in Mexico. Canal 22 emphasizes the themes of *culture and arts* in the acquisition, production and offer of most of its programming. The unit of analysis has been chosen because of the following reasons:

- The nature of Canal 22, as a media company, is suitable and relevant as a case study for the master's thesis included in the degree programme of media management.
- The researcher's nationality, background and interests facilitate the search and collection of information and the study of a Mexican media company.

- The management practicum carried out during the studies at the Finnish Broadcasting Company, Finland's national public broadcasting company, encourages the researcher to continue the study of media companies with a public service character.
- The study of the strategy formation process at Canal 22 piques the researcher's interest due to the complexity on which the company is managed and operated.

Fourth Component: Linking Data to the Propositions—Methods for Analyzing Data

The analysis is based on a *chronological sequence*, which is a type of *time-series analysis*. *This allows the researcher to trace events, trends, decisions and actions in Canal 22 throughout its 22 years of broadcasting operations from 1993 to the end of September 2015.* According to Yin, the chronological sequence has “an important analytic purpose—to investigate presumed causal events—because the basic sequence of a cause and its effect cannot be temporally inverted. Moreover, the chronology is likely to cover many different types of variables and not be limited to a single independent or dependent variable” (Ibid., p. 214-5).

The objective of the analysis “is to examine some relevant “how” and “why” questions about the relationship of events over time, not merely to observe the time trends alone” (Ibid., p215). The hypothesis—or the causal proposition—provides *explanatory value* to the analysis. According to Yin, with the absence of a hypothesis or proposition, the chronology would be a chronicle—a “descriptive rendition of events” (Ibid., 216).

The document “*Steps in Research on Strategy Formation*”, written by Henry Mintzberg (2007, p. 380-90), has been used as the main guideline to do the time-series analysis of Canal 22's strategy formation process. According with Mintzberg's document, these are in brief the main steps and output documentation of the analysis:

- The key strategy areas of Canal 22 as well as significant performance and environmental aspects are delineated.
- A chronology and a graph are made of each strategy area containing decisions, actions and results of Canal 22, as well as environmental events and trends.
- All of the strategy areas are then represented on a common timescale on which periods are delineated and labeled.

- Analysis of Canal 22's significant strategies, decisions and actions, considering the "events, trends, forces, etc. that influenced them; and the results, that explore how and why all this happened" (Mintzberg, 2007, p. 384).
- The researcher compares the periods contained in the chronology with the explanatory theories of strategy formation included in the theoretical framework (Yin, 2014, p. 215). This comparison produces a "theoretical interpretation of the strategies and strategy formation process for each of the periods" (Mintzberg, 2007, p. 384).

Based on the analysis a theoretical and normative report is produced. This report includes thoughts, ideas and recommendations about how to improve the strategy formation process in Canal 22 (Ibid., p. 386).

Fifth Component: Criteria for Interpreting the Findings

Throughout the research process, the researcher aims to "identify and address rival explanations for [her] findings" (Ibid., p. 73). According to Yin, it is important to address rival explanations as the "more rivals that have been addressed and rejected, the stronger will be your findings" (Ibid.). Rival explanations about the strategy formation process have been included in the theoretical framework, they have been considered when doing the data collection, and when necessary they are used and presented during the analysis and conclusion.

Judging the Quality of the Research Design

Four criteria—"commonly used to establish the quality of any empirical social research" (Ibid., p. 84)—have been used to judge the quality of the research design:

- a. *Construct Validity*: the researcher carefully specifies the significant and operational events that constitute the *formation* of strategy. They are defined within the context of a media organization with public service attributes in times of structural changes within the media industry. In other words, strategy formation is defined in terms of theory and concepts developed by Henry Mintzberg, Peter Drucker, Gary Hamel among others, in the theoretical section of this paper. These concepts are as well carefully linked to the objectives of the study in the theoretical and in the analysis

sections. The “operational measures that match the concepts” are identified and presented on the analysis section (Ibid., p. 86).

- b. *Internal Validity*: According to Yin, “a case study involves an inference every time an event cannot be directly observed. An investigator will “infer” that a particular event resulted from some earlier occurrence, based on interview and documentary evidence collected as part of the case study” (Ibid., p. 87-8). Therefore, the researcher makes sure that the inferences made are as accurate as possible by making sure that 1) as many possibilities as possible have been considered, 2) that the evidences are convergent, and that 3) rival explanations and possibilities are considered when the researcher makes inferences based on the materials, information and interviews collected (Ibid.). To be able to achieve sound internal validity, the researcher uses *chronological sequences* as the analytic tactics, explained in depth in the analysis section.
- c. *External Validity—Analytic generalization*: This “deals with the problem of knowing whether a study’s findings are generalizable beyond the immediate study” (Ibid., p. 87). In this research strategy formation and public service media are the theoretical domains “to which the study’s finding can be generalized” (Ibid., p. 84). The research has as its foundations the questions of *how* the strategy formation process is in Canal 22 and *why* the process is as it is. This *why* and *how* questions have influenced “the strategies used in striving for external validity” and thus enabling the researcher to arrive “at an analytic generalization” instead of a mere documentation of facts (Ibid., p. 88).
- d. *Reliability*: the research is carefully documented, interviews recorded, and each step throughout the reach is carefully operationalized to make sure that the study can in principle be repeated and same results can be obtained. (Ibid., p. 88-9)

Methods and Data Collection

Data has been collected to the point that there is enough “confirmatory evidence” for the topics covered throughout the research. Confirmatory evidence is the evidence that has been gathered from at least two sources of evidence. In addition, the evidence collected “includes attempts to investigate major rival hypotheses or explanations” (Yin, 2014, p.

157-8). For this research the *sources of evidence* are “highly complementary” between them and no one is superior over the others (Ibid.). They are following:

- Documentation and archival records
- Online semi-structured interviews carried out in two ways: 1) Skype video interviews and 2) written interviews utilizing an online platform
- Observations

Online data collection methods have been chosen over traditional alternatives for collecting data. The main motivation to choose online methods over traditional methods is that the researched company—Canal 22—is located in Mexico and the researcher lives in Finland. Another motivation is that information and communication technologies (ICTs) enable the researcher to collect data and interview professionals in accurate, reliable and effective ways. In some cases online methods are the only alternative to collect some of the materials and information that are otherwise unavailable. It is worth noting as well that during the data collection, ICT has served as the communications “medium or setting to investigate real-world, offline experiences” (Ibid., p. 64).

The qualitative approach to sampling was a *combination or mixed purposeful* type. “More than one sampling approach is used to address different aspects of the research design” (Salmons, 2015, p.121). This approach allowed more flexibility while collecting data while at the same time allowing the researcher to fulfill the information gaps, interests or needs that were emerging during the data collection and analysis stages.

In addition, this approach allowed triangulation. (Ibid.) In other words, during the data collection, the multiple sources of evidence enabled *triangulation*—“the convergence of data collected from different sources, to determine the consistency of a finding” (Ibid., p. 318). Two kinds of triangulation have been employed:

- a) Data triangulation: information from multiple sources is gathered in order to verify the same findings.
- b) Theory triangulation: the theoretical framework, that deals with strategy formation, covers 10 schools of thought, thus different perspectives to the same topic. The researcher analyzes the same data set from the diverse strategy formation perspectives.

Finally, it is essential to mention that the researcher has used *Steps in Research on Strategy Formation*—by Henry Mintzberg (2007, p. 380-90) as the basis and guide for the data collection and analysis processes.

Semi-structured Online Interviews

Semi-structured online interviews are of the methods for collecting data. Interviews enable the researcher to collect the “data on decisions and actions”—regarding to strategy formation—that are otherwise not found from the other sources of evidence (Mintzberg, 2007, p. 380).

Semi-structured interviews are those interviews “with a basic structure but varying degrees of flexibility in planning and exchange” (Salmons, 2015, p. 57). Within the typology of interview structures, semi-structured interviews fall in between the two extremes: structured and unstructured interviews. Semi-structured interviews allow the researcher to conduct balanced interviews with a mixture of “organization and framework of the structured approach with the spontaneity and flexibility of the unstructured interview” (Ibid., p. 59).

On the 23rd of June 2015, the researcher interviewed Raúl Trejo Delarbre. He is doctor in Sociology, researcher and professor at the National Autonomous University of Mexico—UNAM, writer and specialist in Mexican media, politics and society, Internet and information society. In 1991 he was a member of the Council aimed at planning the initial company’s profile including its remit, operations, offer and its overall nature as a broadcasting channel with “public nature”. Delarbre was in charge of the Programming Committee that designed the programming of Canal 22 before it was launched and started its broadcasting.

Trejo Delarbre is thus a specialized old-timer who knows the beginning and history of Canal 22, and he is as well a knowledgeable specialist of today’s Mexican media landscape, politics and social affairs. The interview with him is a very valuable contribution to the present research. Skype was used as the online medium to carry out the interview. It lasted 1 hour 7 minutes. The interview was semi-structured, in other words, it was an interview with “a basic structure but varying degrees of flexibility in planning and exchange” (Salmons, 2015, p. 57). The researcher identified the key themes she needed to understand to fulfill the gaps that emerged during the analysis of strategy formation in

Canal 22. For this interview the researcher had a guide on which the “precise wording or sequence [were] not predetermined” (Ibid.).

The 26th of August 2015, the researcher interviewed the Mexican professor and journalist Marco Lara Klahr. He worked in Canal 22 during the years 2014 and 2015 as the news editor in two programs: *El Observador* and *Global 22*. It was a telephone interview. The length of the interview was 28 minutes. It was a semi-structured interview. It included 8 questions with some additional probes to “encourage the interviewee to provide detail to flesh out and expand on the answer[s]” (Ibid., p. 263).

The author had a chat with Julio Juárez Gámiz, researcher and professor at the National Autonomous University of Mexico—UNAM, the 19th of August 2015. The length of the conversation was approximately one hour.

The 9th of September 2015 the author interviewed Huemanzin Rogríquez, reporter, producer and TV host. He has worked in Canal 22 for 20 years. The interview was a voice call on Facebook’s messenger. The length of the interview was 67 minutes.

The researcher exchanged phone calls and emails with Jeannie Cruz Nieva who is in charge of Canal 22’s human resources department. Through her, the author got permission from Raúl Cremoux—Director of Canal 22 at that time—to interview Canal 22’s staff with the purpose to carry out academic research within the company. After the permission was granted, the researcher was in touch with the Jessie Espinosa—responsible of the area of production and programming in the company. In the organizational structure of Canal 22, she holds a position immediately downwards to the current director Ernesto Velázquez. Jessie Espinosa was supposed to support the researcher with the collection of interviews and information. At first she promised to organize the interviews with 5 members of her staff, including her and after that then she would propose more candidates for the interviews. After the beginning of an internal conflict in Canal 22, it was impossible for the author to have contact with Jessie Espinosa again. Instead she had multiple phone calls with her assistant Edith Becerril.

Jessie Espinosa requested from the author to conduct the interviews by an electronic written medium. The researcher used Survey Monkey online service not with the goal to carry out a survey but rather with the purpose to use it as an organized and clear medium to conduct the written interviews. The design of this service allowed the interviewees to easily answer the questions without any technical difficulty.

The interviews were structured interviews. The researcher elaborated a set of 33 open-ended and multiple-choice questions (see appendix) and each participant answered to the same questions in exactly the same sequence (Salmons, 2015, p.57). The information collected with these questionnaires is not used to produce quantitative data per se. They rather serve as a medium to shed light about the strategy formation process in Canal 22 based on the employees' perspectives. These interviews serve as one component of the overall assessment of strategy formation in Canal 22.

This is the list of Canal 22's staff interviewees:

- Aziyadé Sabines, Director of Production
- Orissa Castellanos, Director of the International channel and international distribution.
- Abel Flores Sanhueza, Director of Programming
- Abelardo Bernardo Panigua Zwanziger, Manager of Technical Control and Continuity
- Ernesto Curiel Zarate, Manager of Information Technology

The respondents participated between the months of June and August 2015. To answer the questionnaires, the respondents used between 22 minutes to 1 hour and 10 minutes. Thus, the responding average time was 43 minutes.

Documentation and archival records

The researcher uses extensively a database of the Federal Institute for Access to Public Information and Data Protection (IFAI) available at www.portaldetransparencia.gob.mx. This database includes in detail all documents, archival records, reports and other relevant information about Canal 22.

In addition, the researcher uses extensively available online articles, news and materials from reliable sources that have been published throughout the years about Canal 22. Other varied data sources are used as well such as written field notes, visual data such as online videos, interview transcripts and blog posts.

Observations

The researcher makes observations throughout the process of data collection. For instance, Canal 22's organizational and cultural traits are observed during the +20 telephone or email conversations between the researcher and staff of Canal 22.

Findings

The findings are organized making use of a *chronological sequence*, a form of *time-series analysis*, which serves the researcher as an analytic technique. According to Yin, “[t]he more intricate and precise the pattern, the more that the time-series analysis also will lay a firm foundation for the conclusions of the case study” (2014, p. 211). The chronological sequence is a rough adaptation based on Mintzberg’s “Steps in Research on Strategy Formation” (2007, p. 380-90).

The sequence includes the years between 1993 and 2015, and it is divided into periods. Each period is defined by one of the six directors of Canal 22 with his/her corresponding administration. Within each period there are sub categories defined by key strategy areas or observable facts relevant to the strategy formation process in Canal 22. The selection of key strategy areas and observable facts are based on the prominence that these have had not only across the company’s reports and documents but also in information gathered from the interviews and other public sources.

At the end of the chapter there is a comprehensive table that summarises succinctly all the findings. The chronological sequence, as well as the table, serves as the substance for the discussion chapter.

José María Pérez Gay 1993-2000

This period describes the first 7 years of Canal 22. The strategic objective was to exist, to materialize and legitimize as a Cultural channel. The major changes pursued were to create an audience, to improve and to expand the channel’s signal in the country and to offer quality contents. In the following paragraphs it is described who the director of the channel was and some of his personal views, what kind of programs were broadcasted, why news and political discussion were not covered during these years and some facts about the channel’s coverage during these years.

According to Trejo, Pérez Gay was not a man who belonged to the bureaucracy. He was a great writer, great thinker ahead of the Mexican cultural context. He was a man of letters. Pérez Gay was an intellectual apart from politics. *His great virtues were others than that of being a manager.* He was able to manage Canal 22 by *surrounding himself with a professional and competent team.* But thanks to his immersion in the world of culture, interviews with outstanding writers were broadcasted in Canal 22. For instance, Carlos Fuentes, a Mexican intellectual writer, did appearances in the channel, and much more. (June 23, 2015)

Although Pérez Gay did not have any previous experience related to media management such as that of managing a television channel, his passion for the fine arts and culture empowered him and gave him much needed vision and qualities that the leader of the cultural channel needed, especially taking into account the harsh conditions that Canal 22 had at the beginning. He showed qualities of strategic thinking and strategic vision. As a leader of a company that did not have many resources, and at the same time many challenges needed to be solved, Pérez Gay needed to be ingenious. Of course he was not perfect. For instance, he left bills to pay to the following administration while they should have been paid during his administration (Canal 22, 1996).

Production and Programming

During the first years of the channel, “international programming was the backbone of the channel” (Pérez Gay, in an interview for La Jornada, 1997). Consistent with Pérez Gay, the purpose of the channel was to acquire, in cultural matters, “the best of international television programming”. However, he explained that both the *perspective of what the channel was* and the *production parameters changed* as the channel evolved and had a renewed transmission system via satellite.

Therefore, the programming eventually became more balanced with the growth of domestic production. His goal was not to produce all of the programs in-house, but to *allow others to produce contents as well*. Pérez Gay explained that this way “extremely talented producers, some of them very young who had not ventured into the field of television, [got] a chance to become known”(Ibid).

According to Rodríguez, Canal 22 reporter, producer and presenter, under the lead of Pérez Gay, Canal 22 went through a very balanced time and the contents were refined, even though the national production was very low in terms of budget. All in all, they

produced some successful programs in the end of the 90s that were recognized and bought by the BBC (September 9, 2015).

During those years, reliable and relevant methods to measure audiences (rating) were not available. However, Pérez Gay observed the behavior of the audiences. He believed that the audience is intelligent and they watch what they want to watch. While being director of Canal 22 he said that the time had taught him that the frequency at which people see a TV channel is according to their needs not with the channel's needs. "The great democratic bet is called *zapping television*, which is changing channels with the remote control. Nobody forces you to stay on one channel or another. There is a *more democratic* proposal in the individual, intimate and radical freedom of your room, to do whatever you want" (Ibid).

Although social media did not exist yet, that did not stop the director of the channel from being sensible and caring with its audiences. According Pérez Gay, even though Canal 22 imposed scheduled programs they offered much of what the public asked. He affirmed that in Canal 22 they were "attentive and sensitive to the significant amount of *phone calls* coming into the channel to say they do not like some program or that they want another" (Ibid).

Therefore, at the early beginnings of Canal 22, the goal of Pérez Gay was to offer cultural contents that would be entertaining, interesting, and targeted not only to the people "*whose culture was beyond any suspicion*" but also to the people who are not informed as much but still find entertaining, interesting and even feel passion for certain kinds of programs" (Ibid).

News and Professional Journalism

As previously mentioned in the Case Study chapter, before launching Canal 22 there were 4 commissions designated by the president of Mexico, Carlos Salinas de Gortari, to make a proposal that would design the structure and guidelines for the emerging channel. The *programming commission* was one of those and its duty was to design a proposal for the programs and contents that would be included in the broadcast programming. Trejo was one of the members of the programming commission. He explains that based on the understandings that he and the rest of the members of the commission had about culture, they recognized the possibility to include a program in Canal 22 that would "*present and discuss the key national issues with rigor and plurality of ideas*" (Writer, researcher,

professor at UNAM, June 23, 2015). Thus, a central element in the commission's final proposal was that Canal 22 had a daily newscast with "very *qualified opinions* about the most important national and international affairs" (Ibid.).

According to Trejo, during the early broadcasting years of Canal 22, a newscast program was not included in its programming bar because people managing Canal 22 said that *news was not culture*. They also refused to offer airtime for discussion programs because the directors of that time said *that politics should not mix with culture*. Thus, from the programming commission's proposal, it was considered almost everything except the corresponding section regarding *news and political discussion*. During the interview with Trejo, he said that "it was a mistake of Canal 22's first director and his staff, people who worked with him, not to consider that culture also involved the analysis of public affairs" (Ibid).

Any reason could be addressed as the reason why news and political discussion were not included in Canal 22 broadcast programming. However it can be inferred two reasons: 1) Pérez Gay stressed the role of fine arts as culture giving little importance to other forms of culture, 2) there was an obscure agreement between the director with government officials so that news and political discussion were not included in the broadcast programming. Whether or not any of the two influenced the decision to drop news and political discussion from the channel's programming, this decision was paramount in shaping the channel's strategies.

After learning that Canal 22 did not included news and political discussion in the broadcast programming, one might ask if there was *freedom of expression* during the first broadcasting years of Canal 22, with Pérez Gay as director, and under the federal public administration of Carlos Salinas de Gortari followed by Ernesto Zedillo. To this question, Trejo answered:

Freedom to express views on cultural issues, in the *limited idea of culture* that the channel decided to have, I think so. It was not a channel that was symbolized by its critique on cultural policies or for their analyses, you name it, in movies or novels or art, it was not a channel [characterized by] critical analysis but rather [by] rescuing international productions. It brought to Mexico very interesting programs, [both, international] and of eventual own production. In that limited idea, again, in my view

of culture, there was not, as far as I know, limitations on peoples' freedom of expression because the issues aired on the channel were not sensitive issues for the government. (Ibid.)

Technical, operative and IT

The expansion of the channel was by increments. According to Pérez Gay, Canal 22 started its operations in an *exiguous* way (La Jornada, 1997). The channel started transmissions the 23rd of June 1993 with daily transmissions of 6 hours only (Programa de Cultura 1995-2000, 1996). A year and a half later Canal 22's signal covered the area of the *Mexican Valley* (La Jornada, 1997).

The development of Canal 22's technological capacity was encouraged so that its signal would cover more areas throughout the country by developing a television relay project. However, Pérez Gay's administration failed to carry out this project. It can be inferred that the main reason why it failed is because it was an ambitious goal that was not originally set in Canal 22 but somewhere else within the programs and plans developed by Canal 22's higher authorities. In contradiction to the intentions of those programs and plans, Canal 22 was not given fiscal resources to carry out the project (Canal 22, 1996).

Pérez Gay administration made collaboration agreements with regional systems of public television and state-owned channels, also with cable systems, throughout the country. They also started to upgrade the old analog equipment into digital. Pérez Gay envisioned creating a media library to safeguard the important film heritage of Canal 22. The library was functioning in the beginning of year 2000. (Ibid)

The expansion of the channel, in terms of coverage and reach, has greatly depended on its technical and operative developments. This is why the development of technical and operative areas in Canal 22 has been fundamental ever since the channel started its broadcasting operations in 1993.

Enrique Strauss 2001-2007

Enrique Strauss was the second director of Canal 22. This second period had the strategic objective to position Canal 22 within the mass communication media as a proposal of cultural diffusion. Another strategic objective was to offer a broad view of culture in order

to foster democratic development of the nation. And a third strategic objective was to strengthen the technological infrastructure of the channel with the purpose to increase the channel's coverage in the country and abroad (Canal 22, 1996). Deliberate major changes pursued were to carry out a digitalization project within the channel to be completed it in 2012. Another major change pursued was to increase in house production and the overall time of broadcasted hours. An additional change pursued was to launch a second signal to reach Hispanic market in the USA. There were clearly other changes in the channel but they were rather emergent changes. In the following paragraphs the objectives and changes pursued are described in more detail.

By the beginning of the year 2001 the country was celebrating the victory of the new president Vicente Fox, representing the National Action Party—Partido Acción Nacional (PAN). This was the first time ever that someone won the presidency representing the PAN party, after 54 consecutive years including 9 former presidents of Mexico who had represented the adversary Institutional Revolutionary Party—Partido Revolucionario Institucional (PRI). As a consequence of the new government, Enrique Strauss, a producer of cultural programs, was chosen as the new director of Canal 22.

Production and Programming

As explained above, the country was entering into a phase of change with the new Federal government that brought with it new values and new ideas. Within Canal 22 there was a new director who also came with fresh expectations of what a cultural channel should be which were different to those of the former director Pérez Gay.

The expectations of what Canal 22 should be were others as a consequence of this wave of change that the country was living with the new polemic president Vicente Fox, as well as the arrival of a new director in Canal 22. This is a key factor that explains the strategy shifts between Perez Gay and Enrique Strauss. A new objective set in the channel was to reach bigger audiences as well as to handle culture with a broader perspective. Thus, the aim of production and programming was to capture new sectors of the population and to make Canal 22 a channel watched by younger audiences.

According to Strauss, in order to achieve that goal, it was necessary to modify the programming in a way that without falling into what would resemble *commercial TV*, the channel would be more accessible for the Mexican audience. (La Jornada, 2001). In Rodríguez's view Strauss had a *televisual vision*, and thus Strauss administration "was

deeply televisual” (Reporter, producer, TV host, September 9, 2015). This means that Strauss took care that the contents, formats and the overall conditions were suitable for production on television. During Strauss management, there was a bigger amount of domestic production that exceeded the 50% of the channel’s programming offer (Ibid.). In 2006, Canal 22 signed a deal with BBC, which enriched the channel’s international programming offer as well (Canal 22a).

News and Professional Journalism

As a consequence of the new federal government and the new director within Canal 22, there was a shift in how the news and current affairs were handled within the channel. In Rodríguez’s opinion:

The country changed, maybe not as we thought, but it is a fact that it changed. And that allowed that we could do other things. During the administration of Enrique Strauss, from this moment on, there was a presence of *politics* and of the *international* in Canal 22. I think it also has much to do with the participation of Luisa Reli, news director at that time. Although she was a very short period as news director, she had [previously] worked in Imevisión [in news department], and she had a *vision and agility, both very important to observe the world as a whole*. This is also reflected at different levels of Canal 22’s programming. (Reporter, producer, TV host, September 9, 2015)

Rodríguez compares Enrique Strauss with Pérez Gay. The period with Pérez Gay was a period “*in front of the spirit of culture and the fine arts*” (Ibid). When Strauss became the director of the channel, they were “*in front of the culture linking it to the fine arts*” (Ibid). Thus, during the administration of Strauss it was possible to cover Government reports, the Zapatista march from Chiapas to Mexico City, as well as federal, state and intermediate electoral processes.

According to Rodríguez, who has been working in Canal 22 for twenty years, in Canal 22 a news program was broadcasted during the first years of the channel, when Pérez Gay was the channel’s director. The first broadcasted in-house program was a news program called 9:30. However, Rodríguez recognizes that when Strauss becomes the director of the

channel the news department “*starts to work in a different way*”. The news program was transformed (Ibid.).

Thus, the changes within the Mexican government as well as the appointment of a new director in Canal 22 influenced the management, the operations and the productions of Canal 22. It was possible to cover a wider range of news and current affairs. “The government of Vicente Fox had the good sense not to interfere with the channel, or it gave little importance, that's my hypothesis, that they did not notice the existence of that broadcasting medium” (Trejo, writer, researcher, professor at UNAM, June 23, 2015).

Technical, operative and IT

As part of the strategic objective to increase the channel's coverage not only within the country but also abroad, during Strauss administration a project for an additional signal was carried out. The additional signal's received the name Canal 22 Internacional and was created with the aim to reach the Hispanic audiences via cable television in the neighbouring country of United States, as well as, Canada and the north of Mexico. It has transmissions of 24 hours daily. This signal serves as an additional window to broadcast its contents that does not require any major effort from Canal 22 or for the TV cable operators in the neighbouring country (Ibid.). Strauss wanted to carry out another project of a third transmission called *Canal 22 Iberoamericano*. This project was not carried out neither during Strauss administration nor in the following ones, although Strauss advised the continuation of the project (Canal 22, 1996).

During Strauss administration it is easy to notice the efforts made to achieve the strategic objective to increase the channel's coverage. In 2005, Canal 22 was present in 97% of the total cable television systems throughout the country. Considering open television and all cable TV systems, Canal 22 reached 54.4 millions of people (Ibid).

The will for an ever growing broadcasting coverage, including all its technical and operative related issues, has been present in every document, plan, set of objectives, strategies, sub-strategies or lines of action elaborated and published. In line with what the findings show it can be inferred two key reasons: 1) the historical background of Canal 22 of formerly being one of the three channels of the television system Imevisión which *had national coverage* and 2) The pursuit by many Canal 22's stakeholders' to embrace the character of a public service media. This being influenced at times by the European ideology, which embraces the principle of *universality*, and represented by appealing role

models such as the BBC. Special emphasis to increase and enhance Canal 22's coverage has been in the administrations of Strauss and Volpí followed by González and Acosta. Together with the technical and operative concerns, the role of digital technologies and the Internet has grown gradually throughout the years.

Some of the strategies have been continued from one administration to the next and thus have been successfully implemented. Examples are the 100% digitalization of the channel, the international transmission of '*Canal 22 Internacional*' and steady growing coverage throughout the country. Also the findings show that the strategic goal defined in Strauss's administration to offer a broad view of culture was continued during the next administrations of Volpí, González and Acosta.

Jorge Volpí 2007-2011

The third period is marked by the arrival of its third director—Jorge Volpí, a Mexican writer. Equally as the previous period, the arrival of the new director in Canal 22 was consequence of the changes made by the new federal government's administration in the country. In December 2006 Felipe Calderón Hinojosa became the new president of Mexico. He was the PAN party's contender during the presidential elections.

Volpí's understandings of what a cultural channel ought to be and the overall political, technological and socioeconomic conditions that were defining Canal 22's context at that time caused the emergence a fresh strategic objective. The strategic objective in this period was to meet the needs and tastes of different audiences. In other words, the objective was to foster diversity of production, contents, programs and audiences. Major changes pursued were 1) to support productions that give an identity to the channel while addressing diversity through the integration of various cultural genres; 2) to create new cultural television projects in order to encourage the development of new audio-visual languages and whose contents highlight the most diverse topics of national culture; 3) to capture new young audiences (+15 years old); 4) to strengthen the news and discussion programs; 5) to improve the overall quality of the contents (Canal 22, 2009). The strategic objectives as well as the changes pursued are discussed in the following paragraphs.

Production and Programming

Canal 22 offered diverse, unprecedented and fresh programming while still maintaining the channel's distinctive character driven by the culture and arts. For instance, Canal 22

produced a series of a cultural reality show, *Ópera Prima*. The plot evolved around a form of art: opera (first season), ballet (second season) and contemporary dance (third season). The aim was to discover and promote young Mexican talent in each of those forms of art, spread the awareness of these forms of art and create new audiences.

Canal 22 included *anime* programs in its programming offer. Anime was considered part of the redefinition of Canal 22's identity (Ibid.). It is interesting to observe the fact that during Volpi's administration *anime* was considered an expression of culture and art. During this period, sport events were covered such as the 2010 Winter Olympics (Canal 22c, 2011). In 2014, Canal 22 covered again the Winter Olympics in Sochi. The difference between the two events is that in 2010, the International Olympic Committee granted Canal 22 the right to broadcast the event. In 2014, in order to be able to broadcast the event, Canal 22 had to negotiate with America Movil –a Mexican telecommunications corporation which had the exclusive rights of the event (Wikipedia, 2015).

News and Professional Journalism

The coverage of news continued when Volpi became director. For instance, Javier Sicilia's national march for justice and against impunity was covered, as well as other social movements. Rodríguez explains that this way is how current affairs were gradually integrating into the discourse of Culture in Canal 22, "*watching the actions of human beings as culture*" (Ibid).

There was discussion and dialogue during Volpi's administration. Canal 22's news department covered the death of Juan Camilo Mouriño, Interior Minister at that time, who was in a jet that crashed into an up-scale district of Mexico City. The accident had a live coverage, even though, according to Rodríguez, it was a difficult time pondering what to do, if to release information regarding the accident or not.

According to Rodríguez, with Volpi there was not only discussion but he supported them as well with some of the journalistic transmissions that Consuelo Seizer, the then president of CONACULTA, did not like. "I do not mean that he defended the work we were doing, but he, as the director, assumed what was going on in Canal 22 including the work that could or could not please the president of CONACULTA" (Reporter, producer, TV host, September 9, 2015). "There are things you cannot ignore, and are things that sooner or later will have an impact on *what we call culture* or even on *what other people call culture that are the fine arts*" (Ibid).

In 2007, it was launched the program The viewers' ombudsman—Defensor del Televidente. The purpose of the program is to promote the formation and consolidation of active, reflective and critical audiences. The program seeks as well to develop mechanisms of participation between the audiences and Canal 22. This way, Canal 22 encourages the audience's participation for the creation of television program proposals with quality and which meet the diverse audience tastes (El Universal, 2007). According to Volpi, the viewers' ombudsman program "seeks to create an independent, critical and impartial dynamic that has at all times the priority to enforce the opinion of viewers, to promote their participation in the process of forming a rich and diverse audience concerning the programming and production of the Canal 22" (as cited in El Universal, 2007).

Technical, operative and IT

Projects concerned with the technical, operative and IT, many of them started during the former period, were continued during Volpi's administration such as the projects targeted to grow the channel's coverage within the country as well as the project to completely digitalize the channel's production and transmission.

In 2011, the project of Cultural Network Mexico—Red Cultural Mexico—was started. The goal of the project is to place at least one relay in each state of the Mexican Republic. In addition, during the same year Canal 22 started streaming contents and programs on its website (Canal 22, 2012).

Irma Pía González 2011-2012

González served a brief stint as Canal 22's director. She had no previous professional experience in fields related to neither television nor culture (i.e. fine arts). She is publicly a supporter of the National Action Party—Partido Acción Nacional (PAN). She had previously worked in diverse jobs, which had something to do with PAN. After being director of the channel for about a year, she resigned to join the campaign team of Josefina Vazquez Mota who was contending for the Federal government's presidency in the electoral process of 2012.

Despite González experience, in Rodríguez's opinion, Volpi and González have been probably the directors with *greater integration* of their teams and different areas of

decision-making. Projects were established in an *immediate decision basis because the nature of television is of absolute immediacy*. Only after that, decisions were taken in order to have short or long-term impact, as well as decisions to create programs, to create space for a public that “we won’t know how the impact of what we did was with a simple measure [referring to ratings delivered by private companies]” (Canal 22 reporter, producer, presenter, September 9, 2015).

This short period gives continuity to the previous period. Thus strategic objectives and changes pursued are the same to those of Volpi’s period. The continuity of the strategic objectives as well as some major changes are described in the following paragraphs.

Production and Programming

While González was director of the channel, a series of children's programs, Click-clack!, was launched with the aim to offer attractive programs for children with content aimed at developing children’s curiosity about themes related to the arts, culture and science (Canal 22b, 2012). The attempt was to bring Canal 22 closer to young generations. This is an instance of continuity between Volpi and González on which the formation of young audiences is in the channel’s agenda.

For the regret of many, González cancelled the transmission of the Viewers’ Ombudsman program (PCM, 2012). It was not explained the reason why the program was cancelled. Nevertheless, Canal 22 continues to have the Viewers’ Ombudsman, he communicates through his blog and making use of other social media. Neither González nor any of the later directors have taken advantage of this project that emerged in Volpi’s administration.

News and Professional Journalism

Rodriguez remembers that during the administration of González there were different types of discussions of that they should or should not do, “but absolutely everything was resolved through dialogue” (Ibid.). For example, she did not want to cover Javier Sicilia’s national *march for justice and against impunity* arguing *why to cover news related to someone who keeps attacking President*. At that time the director of news, Juan Jacinto Silva, had a dialogue with her, and at the end of the discussion, “I mean in the real sense of the word discussion: expose points of view”, she agreed that this was covered (Canal 22’s reporter, producer, TV presenter, September 9, 2015).

Technical, operative and IT

As already mentioned above, González's administration was a continuation of Volpí's administration. Thus the agreements and strategies previously made in Volpí's administration were largely respected and executed in González's time. This highlights the process of changing analogue equipment into digital, which in 2012 Canal 22 reached 100% the digitalization of all processes of production and transmission (Canal 22, 2015).

Magdalena Acosta 2012-2013

This period is transitory. Magdalena Acosta was director of the channel for 10 months only. This is because in January 2013 there was a new federal government's administration and thus old officials were displaced, new officials were assigned and they assigned the members of their teams respectively. By the time Magdalena Acosta was assigned as the channel's director she was sub director of the department production and programming in Canal 22 for 1 year 7 months. Before working for Canal 22, she had already worked for many years in Canal OnceTV, another public service television company in Mexico.

Basically what Acosta did was to give continuity to projects and established strategies that had been convened in Volpí's and González's administrations.

For Acosta, it was undeniable the fact that it is possible for public service television companies to sell their own productions. Acosta wanted to offer to international markets "the other television that is done in Mexico". She believed that Canal 22 had very good products to offer to other public television companies. And to commercial television companies as well because at times they want to offer *other kind of television* too. Thus, according to her, what Canal 22 had to do was to open its way on the market and this way offer canal 22's diverse and attractive programs, some related to sciences, a lot related to the fine arts and *social documentaries* that they were starting to do in Canal 22 (2011).

Raúl Cremoux 2013-2015

This period started with the arrival of a new president, Enrique Peña Nieto—contender of the PRI party. Thus, a new government's administration emerged. As a consequence a new director was appointed in Canal 22—Raúl Cremoux, writer and journalist. In the midst of unfair dismissals and general instability within Canal 22, he left office in the beginning of

October 2015. Ernesto Velázquez Briseño replaced Cremoux. Before Velázquez taking office at Canal 22, he was director of TV UNAM. Velázquez had previously worked in Canal 22 for over 10 years as responsible of production and programming in the periods of Pérez Gay and Strauss.

Cremoux's period represents recoil. The findings do not show strategic objectives for the company's benefit. The director embraced a narrower understanding of culture if compared to former directors or to staff within the company. For Cremoux the social construct of "culture" represented mainly the fine arts. Cremoux, as the director of the channel, took conservative decisions in regards to the production and broadcasting of news and programs. In the following paragraphs some issues that demonstrate the management's failure of this period are described.

Production and Programming

According to Rodríguez, during the years between 2013-2015, Canal 22 stopped producing its own content. External producers produced Canal 22's programs instead. He adds: "it seems to me something strange, symptomatic". He doesn't know if it reflected an issue related to the *competence* of the people responsible for the production and programming, or if it was all about *strategy*. This period of time that Rodríguez mentions is mainly covered by Cremoux's administration, 2013-2015.

News and Professional Journalism

In Trejo's opinion, Cremoux did not make Canal 22 a medium that is as plural as is the Mexican society. Even though during Cremoux's direction there was airtime for political discussion, in Trejo's view, programs for political discussion "should be more abundant and have more weight not only in the channel's programming but also in the Mexican society" (Writer, researcher, professor at UNAM, June 23, 2015). He gives an instance about recent elections stating that "in Canal 22 there were not [programs] characterized by innovation in criticism of political campaigns, for example, and it could have been done without much effort, without much expense and without desecrating any of the channel's political allegiance" (Ibid).

The editorial dynamics changed after Cremoux became director of Canal 22. According to Silva, former head of news department, Cremoux never liked the critical tone. He says that Cremoux used to ask him "why are you always looking for the critical side?" (August 31,

2015). Silva explains that “the journalistic work had to be transformed, had to be adapted” until the point when the differences between him and Cremoux were irresolvable and Silva decided stop working in the company (Ibid.).

In the beginning of the year 2015, Canal 22’s news department was composed by a group of about 45 people. During the summer of the same year, 20 people had been fired, rescinded or dismissed. The staff has not been laid off because of their lack of competence or because lack of money to pay their wages. The staff was laid off because it handled *sensible themes* that did not please the director. For instance, they produced and broadcasted a piece of news about the Mexican journalist, Carmen Aristegui who was laid off by the radio station MVS. The staff produced as well a journalistic program dealing with the victims of violence. However, the director was unwilling to solve the differences with the staff. Part of the news department staff decided to make publicly the censorship they were suffering in the channel. Cremoux laid them off.

According to Aguilar, editor of the news agency N22, it is clearly stated in Canal 22’s code of conduct that they should contribute to inform with plurality to their audience and to contribute to the pursuit of democracy in Mexico. He thinks everybody who is part of the news department has worked in harmony with the code of conduct (Aguilar, 2015).

In Rodríguez’s view, most of the persons who were laid off from Canal 22’s news department are those who have generated about 90% of the contents during the last 15 years (Reporter, producer, TV host, August 31, 2015). Weeks after the staff had been laid off, Alejandra Flores, reporter in Canal 22’ news department, was asked how the working situation in the news department was. She responded that “*there is no direction*. I can tell you that we all feel lost. We do not know. There is no editorial line” (August 21, 2015). The result by the end of the summer 2015 was that not only the news department, but also the whole company went through a deep crisis with director Cremoux.

Within this period, the findings show a lot contention in two issues that are intrinsically affecting one another: 1) What counts as culture and 2) how politics are handled in programming. If the understanding of culture is broad, then politics are relevant to culture. But if the understanding of culture is limited to the fine arts, then politics are not part of the offers of the cultural channel. Within this period, the director’s view of culture differed dramatically to the people’s views working within the channel.

The findings show that the director's reluctance to treat politics within Canal 22 are due to two reasons: 1) His understanding of culture is narrow as it is limited to the fine arts and 2) the fear to upset officials or higher authorities. Cremoux's period shows similarities to Pérez Gay's administration. Both were directors in times that the political party PRI was dominant. Both directors were conservative in the understanding of what culture is and thus they did not consider news and political discussion as part of the cultural channel's agenda.

Based on the findings, the difference between the two is that Pérez Gay developed a set of clear strategic objectives and visions for the channel, he knew how to communicate them to the staff, and his passion for the fine arts allowed him to explore and exploit ingeniously themes related to them. On the contrary, Cremoux did not show ability to be a leader, he lacked credibility and ability to communicate with the staff and above all he did not show passion for the fine arts thus he did not set objectives, vision and a direction to follow.

Technical, operative and IT

In May 2013, Canal 22 ended its long-term cooperation with the Latin American Institute for Educational Communication—Instituto Latinoamericano de la Comunicación Educativa (ILCE). Throughout the years, ILCE used Canal 22's airtime to broadcast its own educational programming for 7 hours during the morning on a daily basis.

In regards to social media, Canal 22 has made efforts to be present in different media such as Facebook, Twitter, YouTube, etc. However, in order to have an important online impact, its efforts have lack momentum and strategic coordination with other units in the company, such as, the department responsible for the branding and marketing of the company.

Director and Period in the Post	Strategic objective	Major changes pursued
José MaríaPérez Gay March 1993-December 2000	<ul style="list-style-type: none"> To exist, to materialize and legitimize as a Cultural channel 	<ul style="list-style-type: none"> To create an audience To improve and to expand the channel's signal in the country Offer quality contents

<p>Enrique Strauss January 2001-March 2007</p>	<ul style="list-style-type: none"> • To position Canal 22 within the mass communication media as a proposal of cultural diffusion. • To offer a broad view of culture to foster democratic development of the nation. • To strengthen the technological infrastructure of the channel with the purpose to increase the channel's coverage in the country and abroad. 	<ul style="list-style-type: none"> • To carry out a digitalization project within the channel to be completed it in 2012. • To increase in house production and the overall time of broadcasted hours. • To launch a second signal to reach Hispanic market in the USA.
<p>Jorge Volpi April 2007-February 2011 2012</p> <p>Continued by Irma Pía González March 2011-February</p> <p>Continued by Magdalena Acosta March-December 2012</p>	<ul style="list-style-type: none"> • To foster diversity of production, contents and programs. • To meet the needs and tastes of different audiences. 	<ul style="list-style-type: none"> • To address diversity through the integration of various cultural genres. • To create new cultural television projects in order to encourage the development of new audio-visual languages • To capture new young audiences (+15 years old). • To strengthen the news and discussion programs
<p>Raúl Cremoux January 2013-September 2015</p>	<ul style="list-style-type: none"> • To be a cultural channel that embraces a narrow understanding of Culture limited to the fine arts only. 	<ul style="list-style-type: none"> • Cancel or delay the production or broadcasting of current affairs programs. • Reduce the range of topics covered in news programs. • To produce less in-house programs.

Short sighted Strategies

The phenomenon of short sighted strategies is observed in each of Canal 22's periods. Canal 22, or any company that has as its superior authority a Mexican Government

Agency, is driven by 6-year periods. As a consequence, it can hardly implement strategies that “transcend the conclaves and short-termist interests in politics” (Juárez Gámiz, Researcher and Professor at UNAM, August 19, 2015). Juárez gives the instance of Canal 22’s former director, Jorge Volpí. He was an intellectual, someone who wanted to do new things. According to Juárez, *what Volpí did was to impose a very personal view on what culture is but it was not a strategic vision*. Volpí did efforts towards the digitalization of the channel, brought producing houses, bought fresh new programs, etc. “*But there was not a proposal for the long term, everything depended on them and the concrete vision they had at that time*” (Ibid).

Rodríguez agrees with Juárez. In Rodríguez’s opinion, the *Mexican administrative periods are not periods for project development*. “Everyone brings a vision of the world, call it the president, deputy, senator, or call it whoever” (Reporter, producer, TV host, September 9, 2015). He explains that this is a reason why good *projects* and good ideas do not continue. This explains as well, why it is impossible to develop mechanisms to find out what impact a program or any TV concept has among the audiences.

In Rodríguez opinion, *Canal 22 has done many things blindly*. This is because Canal 22 has neither had a reliable audience rating, nor market research studies, nor audience research. However, it has been possible to have some vision through social and communications research. This has facilitated decision-making in Canal 22, particularly during the administrations of Pérez Gay, Strauss and Volpí. In those three administrations, according to Rodríguez, is where there has been more consideration to whom Canal 22 was talking to. All in all, “there are no mechanisms to make an audience research because it costs money and that means *creating jobs beyond the six-year period* that the charge of a president, a secretary of public education or a president of CONACULTA lasts” (Canal 22 reporter, producer, presenter, September 9, 2015).

Sabines, director of the department of production, Castellanos, director of the international channel and distribution’s department, Flores, director of the department of programming, and Curiel, manager of information technologies, agree in this issue as they say that the strategy formation process has changed from one Federal administration to the next and from the previous director to the current director. Both changes correspond to 6-year administration periods (July-August, 2015).

Discussion

The following discussion includes theoretical interpretations of facts and events that have been found during the data collection and analysis. These facts and events have influenced the strategy formation process in Canal 22 during its first 22 years of operations (1993-2015). In other words, throughout the chapter it is discussed what the findings mean in relation to Mintzberg's 5Ps for strategy as well as with the schools of strategy formation.

The discussion chapter is structured into two parts. The first part analyses what the findings mean in relation to the five concepts of strategy—5Ps. The second part discusses the meaning of the findings in relation to the schools of strategy formation. The subsections in the second part are divided by periods. Each period is defined by one of the six directors that Canal 22 has had up to the autumn 2015, closely the same as in the Analysis Chapter.

It is worth noting that phenomena described or prescribed in each of the schools of strategy formation can be found to greater or lesser extent in each of Canal 22 periods. The categorizations are made according to the occurrence of phenomena, described in each of the schools, in each of the periods. The cognitive, environmental and configuration schools were not included in any specific period as their occurrence did not dominate in any period over the others. Still the contributions of these schools are relevant for all of the periods.

Approaching the end of the chapter there is a summarizing table that matches Canal 22's periods, previously described in the findings chapter, with the strategy formation schools. At the end of the chapter conclusions are presented.

The discussion shows that the strategy formation process in Canal 22 is a complex process. Theoretical contributions to the concept of strategy, as well as the contributions contained in each of the 10 schools of strategy formation, help in describing and understanding the *how* and the *why* of diverse phenomena part of Canal 22's strategy formation process. Therefore, *the discussion, as well as the analysis, reveals where in the process of the strategy formation exist potential for improvement. As a result, recommendations are produced for the enhancement of the strategy formation process.*

The diverse periods in Canal 22 reflect phenomena that have been portrayed and explained in each of the 10 schools. However, dominant features of each period can be

particularly and best understood with contributions of specific schools. Thus, *the findings as well as the discussion show that strategy formation process in Canal 22 is not a single process in compliance with the descriptions or prescriptions of one school only*. In the author's opinion, this phenomenon does not mean confusion within the company. *The simultaneity of ideas from different schools and notions of strategy is a manifestation of Canal 22 as a plural and complex organization within the even more complex and plural system of society*.

Observing the Five Ps for Strategy in Canal 22

Emergent vs. Deliberate Strategies

The findings show that in Canal 22, emergent as well as deliberate strategies coexist in the day-to-day operations and activities. The motivations to use any of those are many. For instance, according to Paniagua, emergent strategies are needed when there are abnormal situations that require the formulation and implementation of “unexpected strategies” (Continuity manager, August 14, 2015). Sabines utilizes emergent strategies when there are modifications in the budget or “unexpected events occur”. Flores explains that emergent strategies are used when higher authorities require “projects with little time for planning them” (Director of the department of programming, August 14, 2015).

On the other hand, Flores says that “deliberate strategies are used when information is available in advance” for budget and programmatic planning (Ibid.). Castellanos explain that deliberate strategies are used to realize the objectives set in canal 22's institutional mid-term program (Director of the international channel and distribution's department, August 12, 2015).

Thus, in Canal 22 strategies have formed as patterns. But some strategies have been also realized after careful planning, and of course, some have failed to become realized. Throughout Canal 22's periods the dominance of each, emergent and deliberate strategies, moves in a continuum with two ends: deliberate plans at one end—they may turn into realized or unrealized strategies; and emergent strategies at the other end—they may or may not turn into patterns.

Strategy as Position

Canal 22 positions itself in a niche market. The channel targets the niche of those media audiences who consume cultural contents, and to whom commercial media is not satisfying them. According to Juárez, “there is a range of contents which Azteca and Televisa will never meet because it is not profitable, because it is not within their objectives, because they do not understand the concept, because they are not interested, because basically it is not within its business model”. Juárez explains that this is when public service media, in this case Canal 22, come into play. Public service media fulfil these “grey areas” abandoned by commercial media (Researcher and Professor at UNAM, August 19, 2015). Thus, Canal 22 is a niche player in the media market, in the cultural market as well as in the public service media.

Strategy as Perspective

The analysis chapter reveals that Canal 22’s *perspective* has had changes from the administration of one director to the next. The “theory of the business” or “the fundamental way of doing things” is not the same nowadays as it was in 1993 when the channel was created. Two short examples are briefly remembered. During Pérez Gay’s administration the emphasis was in the broadcasting of programs related to the *fine arts*. During this administration the notion of culture was focused in anything related to the fine arts. In contrast, during Volpi’s administration the understanding of culture was wider and included more than the fine arts. As a result, entertaining and contemporary *anime* programs became part of the channels programming offer. Another instance is that of news programs. González and Cremoux had different opinions regarding the coverage of news programs. For González news programs were part of the channel’s cultural offer. In contrast, Cremoux did not consider news programs as an important part for the channel’s broadcast programming. Thus, the news department had more freedom in the coverage of current affairs during the administration of González than it did in times of Cremoux.

Another way to observe the variations that the channel has had in perspective is to look at the mission statements: Canal 22 began broadcasting with the mission to be the *television* that would bring culture to the majorities and to *serve as a window to the world* to the Mexican audiences (La Jornada, 2015). When Pérez Gay left Canal 22 Strauss received the task of making Canal 22 a television signal that would cover the entire country and would be a valuable opportunity for *daily contact with the culture* for all Mexican citizens (La Jornada, 2000). Later during Volpi’s administration, according to him, the central mission was to *awaken the critical spirit of the TV viewers* (Defecito, 2007). During the

administrations of González and Acosta Canal 22 continued to have the mission to collaborate not only in creating readers and audiences for the arts but to foster as well a critical view of reality, honesty and efficiency, in close connection with citizens (Canal 22, 2012). In 2015 Canal 22's mission changes slightly. It has the purpose to contribute to the appreciation of the arts and knowledge, and to promote diversity and values of democratic coexistence. (Canal 22, 2013). It can be observed that as the mission evolved, between the periods of Pérez Gay to Acosta, the understanding of what culture is became broader. But during the last period of this research, administered by Cremoux, the mission is described more conservatively removing its position in favor of criticism and the close relationship with citizens.

Strategy as Ploy

Throughout the study, Strategy as ploy was the only variant of strategy that the researcher did not find as part of the channel's strategies. This finding contradicts Mintzberg et al.'s view that "some of the schools have their preferences", explaining that ploy has a strong relationship with the ideas contained in the power school (2009, p. 15). Findings of this research include phenomena in Canal 22 that is best described by concepts of the power school. However, no ploy was found. The lack of ploys may be explained from the cultural fact that in Mexico it is not rare that politics and power are exercised openly. Other explanation may be that the researcher did not access to any source of information that would have revealed the use of ploys.

Associating findings to the schools of strategy formation

Pérez Gay's period 1993-2000: Strategic Learning

The findings show that during the first years, Canal 22's strategy formation process contains some remarkable phenomena that are described in the entrepreneurial and learning schools of strategy formation. A fusion of these two schools is what Mintzberg et al. describe as the Strategic Learning approach to strategy formation (2009, p. 16). According to Mintzberg et al., two combined types of strategy derive into the strategic learning approach: 1) A broad perspective, the essential way of doing things, and 2) emergence of strategies, which means emergence "in how details of the vision unfold" (Ibid., p. 149). At the early beginnings of the channel, the vision and the strategy exist within the director's mind and thus strategies are deliberate when pursuing the vision. This

approach describes best the early beginnings of the channel if compared with the notions of the other schools for strategy formation. In the following paragraphs connections between the findings and notions of the learning and entrepreneurial schools are presented.

Rodríguez remembers that during the first years of the channel *they did not exist and that's exactly what they had to do: to exist*. In Canal 22 *"they would exist if they had audience"* (Reporter, producer, TV host, September 9, 2015). The channel began with a team of about 37 people, according to Rodríguez, *"it was practically nothing"*. But it did not matter how small they started, they had the need to tell who they were, why they were how they were, what the profile of the channel was, what their objectives were, who the collaborators were, and who the persons they were associated with were (Ibid). To tell many of the afore mentioned things there was a huge need to have a vision of Canal 22, a channel that was forming and beginning to exist and thus it had many intangible unresolved pieces. And at the same time it was necessary to coordinate efforts towards the desirable direction.

Who, if not the director of the channel, was the one responsible for this visionary process of building from scratch the channel, make it exist and give it a sense of legitimacy? Pérez Gay was the director and the visionary leader. He embraced the role of "developing and articulating vision for the organization" (Mintzberg et al., 2009, p. 141).

Rodríguez explains that Canal 22 slowly *consolidated thanks to the ideas and the quality present in the channel's people and programs, regardless of its budget*. The produced programs in the early years of the channel were very modest, but they were done with the clear objective that Pérez Gay used to say, and which continues to inspire Rodríguez: *"make the minorities of the present become the majorities of the future"* (Reporter, producer, TV host, September 9, 2015). Just as Warren Bennis has said: "if it is really a vision, you'll never forget it" (as cited in Mintzberg et al., 2009, p. 141). Many years later, Rodríguez continues to remember Pérez Gay's vision and continues to be inspired by it. This and other visions that Pérez Gay used to say were visionary indeed because they articulated views of an attractive future for Canal 22 and he certainly operated "on the emotional and spiritual resources of the organization, on its values, commitment, and aspirations" (Warren and Numus as cited in Mintzberg et al., 2009, 142).

During the first years of the channel the learning was *intense*. Rodríguez explains that this is because at that time few people, working in Canal 22, had studied communications.

Rather they were people who had studied theatre, cinematography, literature, architecture, etc.:

It really was a place where people were gathered to enjoy what they were doing. My learning that year was tremendous, could even say that it was idyllic. Everyday there was no lack of someone who could talk to you something about their obsessions, about their search, about their constant themes. And there was a huge fabulous exchange. It was what happened during this period. (Reporter, producer, TV host, September 9, 2015)

Rodríguez remembers that his wishes were heard and he was invited to collaborate in projects that they were contemplating in Canal 22 (Ibid.). Certainly allowing employees to take a role on the formation of new projects and new strategies raised commitment while employees feel appreciated. Besides, squeezing the time between creating strategies and getting employees committed to them is good considering the context of *immediacy* that media companies operate. Thus, it is wise to get employees involved in the strategy formation process and let them “have a say in determining the destiny of the organizations to which they put their efforts” (Hamel, 1997).

Another observable phenomenon in Canal 22 is Hamel and Prahalad’s ‘*stretch and leverage*’ (1993). During the first years of Canal 22, the channel had a lot of stretch; this means that there was a big misfit between Canal 22’s scarce resources and the big aspirations of its members. As already mentioned before, Pérez Gay said that the beginnings of the channel were meagre. Rodríguez agrees. In his view the budget was too small those years when Pérez Gay was the director of Canal 22, “*there was no money at all*” (Reporter, producer, TV host, August 31, 2015). And despite of it, they won the CAMERA prize awarded by the UNESCO and they did a program with Guadalupe Alonso, who is now a producer of TVUNAM, which was bought by the BBC (Ibid.). This shows that they not only had stretch, they learned how to leverage Canal 22’s limited resources. Strategy as stretch and leverage certainly helped the channel to consolidate as a channel. Rodríguez warns not to fall into the mistake to confuse economic problems with idiocy or poor quality. He thinks that there are *ways to work*, meaning that good results can be achieved independently of the availability of funding. In his view, “there have never been big budgets aimed at culture, at least in this country” (referring to Mexico). He states: “We

work with ideas" (Ibid.). Rodríguez's attitude, faith and love towards his company are what "allows the small Davids to take on the big Goliaths" (Mintzberg et al., 2009, p. 220).

Cremoux's administration shows the opposite phenomenon as that seen in Pérez Gay's administration. During his administration, Cremoux said that they couldn't make good television in Canal 22 because they are a *tiny* company and that they are poor (Rodríguez, reporter, producer, TV host, August 31, 2015). The way in which Raul Cremoux talked about Canal 22's budget was practically the same ever since taking office (Ibid.). Cremoux expressed, moreover, that Canal 22 was a marginal space without great future (Lara, Canal 22's former news editor, August 26, 2015).

In times of Cremoux administration, according to Paniagua, Canal 22's strategies are not aligned with the dynamics of the media industry because it is considered that *Canal 22* does not have the ability to compete with other media companies. In despite of it, he says that what "Canal 22 seeks is to survive, to stay" (Continuity manager, August 14, 2015). This brings to mind a bird that has broken wings and yet wants to fly. Cremoux had too little strategic stretch in aspirations for Canal 22 and he spread apathy and lack of confidence across the company. This evidence brings into play a crucial issue part of any strategy formation process and that it has not been covered, at least not thoroughly in Mintzberg et al.'s 10 schools of strategy formation: Emotions and feelings. How do emotions interfere in strategy formation processes? When strategies are elaborated, does it make any difference within the company if people feel empowered vs. discouraged? Or feel confident vs. insecure?

These following lines were left at the end of this part as it connects two perspectives: the entrepreneurial school and the power school (discussed in depth later on in its own section):

In terms of strategies, what Pérez Gay did was "*absolutely brilliant*" (Ibid.). He established *a link between two groups of power*—in cultural terms. On one side was the group led by the Mexican writer Octavio Paz. The group included all intellectuals close to him, who participated and collaborated in his magazine called *Vuelta*. On the other group there was people connected with the magazine called *Nexos*. These two magazines, *Vuelta* and *Nexos*, were at that time doing analysis of what was happening in the country. Canal 22 benefited from the relationship with these two groups. The link was achieved through the

channel's programming and the production of special programs. Rodríguez explains that a good connection was achieved between Octavio Paz and Canal 22, "*not the fortunate, not the desired but the necessary. This is how, in terms of legitimacy, Canal 22 became the channel*" (Ibid.). Any program that was purchased from abroad was in line with the vision that Pérez Gay had for the channel. The strategy was implemented by Ernesto Velasquez, current director of Canal 22 and former person in charge of the area of producing and programming in Canal 22. The strategy was about selecting programs that would *give and build* the international programming's *identity and role* (Ibid.).

Enrique Strauss 2001-2007: Prescriptive Schools

-Planning, Design and Positioning Schools

The administration of Strauss is the period of time where the findings show more influence of the planning, the design and the positioning schools. During that period plans and processes have been described with more clarity if compared to any of the later administrations. The findings revealed that the *Accountability Report*, which covers the period of Strauss' administration (2000 – 2006), is the most precise and clear report published by Canal 22 throughout the years included in this research—1993-2015. This judgement is based on the researcher's opinion based on the fact that the information related to managerial, programming, financial activities and operations as well as contextual facts are described with care. The findings show as well that the director played the role to set control and consciousness within the organization. Yet, it is important to notice that in each of Canal 22's periods there have been always present to some extent practices and processes described within these three schools.

The planning, design and positioning schools are grouped and treated together in this section. The justification to discuss them simultaneously is based on the fact that they are "more concerned with how strategies *should* be formulated than with how they necessarily *do* form" (Ibid.). This fact is more decisive during the discussion than the difference between them in how each of them described strategy formation: 1) planning school describes strategy formation as a formal process; 2) the design school describes it as a process of conception; and 3) the positioning school described it as an analytical process (Mitzberg et al., 2009, p. 5).

In the remaining of paragraphs it is briefly discussed the similarities between the findings and these 3 prescriptive schools within the period of Enrique Strauss. This is followed by an instance that discusses whether it works well or not the method used for elaborating

and implementing plans within Canal 22.

As mentioned above, according to the findings of this research, ideas and procedures of the planning, design and positioning schools are present within Canal 22. However they do not seem to be central or decisive elements in the *strategy formation process*. The findings confirm Mintzberg et al.'s notion that these schools are *prescriptive schools*: The tools used in Canal 22 related to these 3 schools consist of *conscious processes that produce deliberate strategies* (Ibid., p. 88). Some elements are part of the bureaucratic or administrative procedures within the channel. Some others are established by a higher authority such CONACULTA, SEP or the Federal Government Administration. For instance, according to Sabines, she develops strategies by scheduling meetings and presentations (Director of the department of production, August 21, 2015). This is an instance portraying the planning school. But do *strategies* really form within a room at a certain time with some persons invited to the meeting? When in those meetings strategic thinking comes about? Unfortunately to answer this question it is necessary further and future research. All in all, the prescriptive schools appear to be necessary because they aid in keeping indispensable control and order for some essential functions within the company.

Canal 22's Strategic Planning: Institutional Mid-Term Program

Because of the legal nature of the company, Canal 22 aligns its objectives, strategies and lines of actions with programs established by the federal government, SEP or CONACULTA.

For that purpose, Canal 22 has the Institutional Mid-Term Program—Programa Institucional de Mediano Plazo. This program contains the objectives, strategies and lines of action that the channel aims at achieving during a 6-year period of time. This period of time matches the 6-year period of the Federal government administration in turn. The Institutional Mid-Term Program is aligned with three programs: 1) National Plan of Development—Plan Nacional de Desarrollo, 2) Special Program of Culture and Art—Programa Especial de Cultura y Arte and 3) Education's Sector Program—Programa Sectorial de Educación. This arrangement is based on the provisions of the articles 58 and 59 of the Mexican Federal Law of Decentralized Entities.

Based on the findings of this research, the impact and the relevance of Institutional Mid-Term Program vary among the staff in Canal 22. Those interviewees that carry out

creative tasks and produce contents in the company disassociate their work with the Institutional Mid-Term Program. Thus, their efforts at work are not purposely focused to realise the deliberate strategies established in the Institutional Mid-Term Program. Examples are presented in the following paragraphs.

Rodríguez has worked in the channel for over 20 years. According to him, the Institutional Mid-Term Program is a program that materialized as part of the decisions taken by the direction. The program has not successfully reached all departments and units within the company. Rodríguez explains that “it *did not permeate the operative systems*” *within the company* (Producer, reporter, TV host, September 9, 2015). He says that there have been talks about the guidelines and about the objectives “but *everything was more in an institutional way than in terms of programming*” (Ibid). In his view those *talks have not been clear*. The answer of Rodríguez portrays what Mintzberg describes as the futile long tradition “of separating strategy from tactics, formulation from implementation, and thinking from acting. The ultimate enemy, once again, proves to be ourselves—not just how we behave but how we *think* about behaving” (Mintzberg, 1994, p. 282).

In addition, Lara comments that he was not informed of the objectives, strategies and lines of actions included in the Institutional Mid-Term Program while he was working as news editor in both programs *Global 22* and *El Observador*. In regards to what touched his work, he commented that there *are not specific public guidelines* describing how, with the programming plan, the channel will fulfil its obligation to serve the public interest and guarantee the citizens’ right to information (August 26, 2015). Lara’s comment reveals that Institutional Mid-Term Program is not inclusive enough because it does not contain applicable guidelines that support the work and the concerns of people working in the news department of Canal 22.

In Curiel’s view, manager of information technologies, emergent strategies are the ones that are used the most in Canal 22. Coincidentally, he does not make any mention about the Institutional Mid-Term Program when he describes his work and issues related to the strategy formation process in Canal 22 (August 27, 2015). Flores, Director of the department of programming, did not make any mention of the Institutional Mid-Term Program even though in his view not only emergent but also deliberate strategies are used in Canal 22 (August 14, 2015).

Two out of seven interviewees explained with clarity the role of Institutional Mid-Term Program in their own work: 1) Paniagua describes clearly how the program impacts his

work. According to him, *deliberate strategies* are created for processes related to any activity that *complies with* established policies and with the Institutional Mid-Term Program. This is the way the objectives and goals are to be achieved and the mission and vision is fulfilled (Continuity manager, August 14, 2015). 2) Castellanos says that their work adjusts to Institutional Mid-Term Program and it is when deliberate strategies are used (Director of the international channel and distribution's department, August 12, 2015).

Sabines gave an inconsistent statement. According to her, she uses deliberate strategies "when building work goals aligned to the National Plan of Culture" (Director of the department of production, August 21, 2015). In fact, that *plan* does not exist. In the former presidential administration (2006-2012) there was a National Program of Culture—Programa Nacional de Cultura (PNC). Nowadays the name is Special Program of Culture and Art—Programa Especial de Cultura y Arte (PECA). In line with the quote above, she uses deliberate strategies when building work goals contained in the Institutional Mid-Term Program, thus she participates in the elaboration of the program despite of the fact she does not know the correct name of the program to which Institutional Mid-Term Program is aligned with.

The strategy formation process in Canal 22 is a bureaucratic process and within the complexity of the process employees may ignore aspects related to it. For instance, in Sabines, Castellanos and Flores's opinion, consultant firms do have a small participation in the strategy formation process of Canal 22. As a matter of fact, the consultant firm Sirius Consultoría, S.C. had a contract with Canal 22 to elaborate a study, a supporting document, for the development of the current Institutional Mid-Term Program (Portal de Transparencia, 2015a). Therefore, the participation of consultant firms is not as low as they affirm. It is worth noting that in the organizational hierarchy of the company Sabines, Castellanos and Flores are two levels down the director. Thus, they are expected to be knowledgeable people about issues related to the strategy formation process within the channel, as is the case of the consultant firm's participation for the elaboration of the current Institutional Mid-Term Program. In contrast, Paniagua, which is subordinate to Flores, recognize that consultant firms have a role within the company beyond small.

Cultural School: 3 directors in a 6 year period vs Cremoux

Within Canal 22, facts that play an important role for the creation or absence of strategies can be best explained with notions and descriptions contained in the cultural school. In the

following paragraphs discussion develops by making three associations between the ideas of the cultural school and some findings. The first association of the cultural school with the strategy formation process in Canal 22 is briefly discussed in the following paragraph. This association is relevant to all periods of Canal 22. The second association describes, from the perspective of the cultural school, a rather positive 6-year period directed by Volpí, González and Acosta. The third association describes, from the perspective of the cultural school as well and the social construct of “culture”, the period directed by Cremoux. *The purpose is to gain insights by comparing the second and third associations between themselves.*

Association One

A premise of the cultural school is that strategies form in a process “based on the beliefs and understandings shared by the members of an organization” (Ibid., p.281). It is tacit and nonverbal. This proves to be true in Canal 22: The tendency within Canal 22 is that the director of the channel, including part of his/her working team, work in Canal 22 for a period of time of six years. This matches the length of time that the president of CONACULTA, the secretary of SEP and most of the official positions last in Mexico, including the president of México. This is a strange *cultural phenomenon*, as well as political, because *it is nowhere written* that in Canal 22 the director or his team should be changed every 6 years or every time there is a new secretary of SEP or a new president of CONACULTA. On August 27, 2015 Aurelio Nuño Mayer became the new secretary of SEP. With no surprise on October 2, 2015 there was new director of Canal 22, Ernesto Velázquez. *This phenomenon is a fusion between politics and culture and with no doubt this has an impact in the formation of strategies within Canal 22.*

Association Two

Culture can be understood from other perspectives. For instance, Sabines thinks that *organizational culture influences positively because it allows them to clearly define the scope when building strategies* (Director of the department of production, August 21, 2015). She corresponds the notion of the Cultural school, which says that *strategies form in a process based on shared thoughts and beliefs*. The findings show that, in Canal 22, the management team and of the diverse areas of decision-making had the greatest integration during the 6-year period covered by Volpí, González and Acosta. One of the consequences of such integration was that the views were shared through spontaneous, sincere and meaningful dialogue between the director and the staff until agreements and compromises were reached. Therefore, strategies were formed based on a foundation of

shared thoughts and beliefs. *Communication was essential for building an organizational culture that favored the formation of strategies, particularly the strategies for immediate implementation corresponding to today's television characteristic of immediacy.*

Association Three: Absence of strategy

-Due to differing views and understandings of what Culture is

According to the cultural school the strategies form in a process based on shared views and understandings by all the members within an organization. But what happens if the beliefs and understandings differ within the members of the organization? How the strategy formation process is affected?

In the following paragraphs it is discussed a dispute in 2015 when Cremoux was the director of the channel. In contrast to the period discussed above, directed by either Volpí, González or Acosta, during this dispute the *staff do not share with Cremoux the same beliefs and understandings of what culture is, in despite of the fact that culture is a pivotal construct on which the company's mission and vision spin around.* In the last paragraphs it is also discussed the repercussions in the formation and implementation of strategies as well as the overall impact within the organization.

Culture is Canal 22's *raison d'être*. The programming offer of the channel spins around themes related to culture. *Culture* is a social construct and with no surprise the understanding of what culture is has been one *particular issue of contention* in Canal 22. The interpretation that is given to culture has an impact on the nature of the programs that are produced, purchased and broadcasted in the channel. It impacts as well the logic of broadcast programming. For instance, if the program is considered relevant in terms of culture then it is likely to be scheduled at a prime time, if not then it happens the contrary. Likewise, what is meant by culture impacts the nature of the strategies formed and the processes where they form.

Before the launch of Canal 22, the president Carlos Salinas de Gortari appointed a working group on several committees. The main work of this group was to design a proposal delineating the structure for the channel so that it would have the function of *creating and disseminating culture*. The goal was to design a channel that, as far as possible, would not be subject only to bureaucratic decisions. The committee, responsible of programming, sought to design a programming bar that was versatile, which responded to diverse interests and "had a *broad understanding of the concept of culture*" (Trejo Delarbre, writer, researcher, professor at UNAM, June 23, 2015). In contradiction, once

the channel began broadcasting, programs including politics, critique, discussion and analysis were not considered part of the cultural programming offer of the channel.

According to Rodríguez, from the *cultural perspective*, journalists in Canal 22 can reach any topic and tell it to the audiences. In the past they have been able to do so, including the periods when Strauss, Volpí, González and Acosta were directors of the channel respectively. In his opinion, for instance, there are ways to deal with drug dealing and to communicate it to the audiences from the cultural perspective that Canal 22 embraces, and that Televisa or any other commercial TV channel cannot do (Reporter, producer, TV host, August 31, 2015).

As mentioned above, in 2015 the channel fell into crisis. During Cremoux's administration some programs that had been produced were not broadcasted according to the programming scheduled. Those programs were "*canned*" as described by Rodríguez (Reporter, Produced, TV host, September 9, 2015). The central issue in the conflict was the contention of what culture is and what it is not. Thus, there was contention of what should be included and what should be disregarded in the programming offer of the cultural channel. The programs that were not aired covered themes such as the victims of violence in Mexico.

Lara, Canal 22's former news editor, affirmed:

"We knew that the cultural perspective of Canal 22 is a perspective that is not confined to the arts and entertainment but it has to do or defines culture in a broad sense that deals with social phenomena, that have to do with cultural life in the national life's broad sense. So in that sense, we defined issues that we thought were part of the public agenda and contributed to the citizen's understanding . . . We had a diverse agenda, clearly reflecting our own interpretation of the essence and nature of Canal 22". (August 26, 2015)

Lara reaffirms that it is evident that Canal 22 is a medium of public interest with the aim to provide or contribute to the realization of the right to information, and in that sense Canal 22 has a *broad view of culture*. Lara's view is grounded in Canal 22's code of ethics. The code of ethics was created in Volpí's administration with the goal to serve as the "reference on which producers, writers, presenters, employees and Canal 22

administrators, including the Viewers' Ombudsman, shall govern their work" (El Universal, 2007). By 2015 the code of ethics continued to be in force. Thus, in Lara's view, during the time he worked in Canal 22, he and his team produced contents relevant to the broad view of culture (Canal 22's former news editor, August 26, 2015).

"Cremoux says that we covered issues that had nothing to do with culture" (Ibid.). Lara highlights Cremoux's contradiction of laying half of the news department staff off and soon after that, he sent a news reporter to Colombia to cover what was happening with violence and to make a profile associated with Pablo Escobar. In Lara's view, this is a case of a huge contradiction (Ibid).

Aguilar, editor of the news agency N22, thinks that nowadays culture is not understood in the same way it was understood in the 90s. He thinks that nowadays the understating of culture is different. He supports his view quoting the writer and professor Cristina Rivera Garza: "Violence is a fundamental part of today's cultural debate". Aguilar ponders on Cremoux's view that in Canal 22 "their concern or *their matter* is not that of a news program that includes or is open to all current affairs" (2015). Aguilar questions: "Is Canal 22 not open to all current affairs? What are we then?" (August 31, 2015).

According to Cremoux, "the way [the violence] is treated does not require censorship, what does it require? *Talent. How* the issue is addressed". According to Cremoux, those who make media contents have the challenge of *how* things are done. Thus, Cremoux argues that they have to pay attention in *how* violence is treated in Canal 22 (2015). In response to Cremoux's speech Aguilar questions: "what is he telling us? Not intelligent to those that aim at talking about violence, human rights, how economy impacts the creative, how cultural politics affects us all, gender inequality, gender-based violence? That is the work we have been doing for more than a decade" (August 31, 2015).

Cremoux has publicly limited himself to express culture in the context of fine arts. According to Cremoux, the *areas* that are of interest in Canal 22 such as art, science and culture are entirely free areas:

Since long ago, you cannot tell a sculptor: 'I do not like Venus de Milo because it does not have arms'. You cannot tell to Vicente Rojo: 'I do not want you to put more squares'. You cannot tell a musician. 'I do not like the sound'. The material with which we work is absolutely free. (2015)

The findings show that Cremoux's view of culture is very distant to what is meant by culture among the news department staff. Thus, due to differing views and understandings of what culture is between the director and the staff, in Canal 22 there was an absence of strategy leading the channel towards a crisis. The premise of the cultural school that strategies form in a process "based on the beliefs and understandings shared by the members of an organization"

Raúl Cremoux 2013-2015: Politics and the Power School

The analysis shows that ever since the company was founded, politics have always interfered, for good and for bad, in the strategy formation and implementation processes of the channel. Power, in other words the exercise of influence, is exercised within and outside the company. Politics, defined as the exploitation of power, is exercised as well inside and outside Canal 22 (Mintzberg et al., 2009, p. 259). The role of politics has varied across the different *periods* of Canal 22. Each period has been defined by who is the director of the channel. However, the findings show that Cremoux's administration was an administration particularly characterized by phenomena related to the *misuse of politics and power*. The misuse of politics and phenomena related to power relations clearly affected strategy formation processes as well as the implementation of any strategy.

In the following paragraphs it is discussed in depth how phenomena related to power manifests within Canal 22, with especial emphasis to the last period administered by Cremoux. The last part of the discussion is about the role of communication amidst the conflict of powers within a crisis that occurs in Cremoux period.

Delarbe explains his view on the phenomenon of power relations in which Canal 22 is involved. This portrays power at the *macro level*, which means that other organizations act upon Canal 22 (Mintzberg et al., 2009, p. 243). With no surprise *cognitive* and *cultural* elements are involved in this phenomenon as well:

I do not know what Professor Raúl Cremoux *opines*, or what Jorge Volpí *had in mind*, or which *impulses* were those that moved Enrique Strauss' decisions, but inevitably, not only them, but the officials who work for them and officials they serve, i.e. president of CONACULTA and the secretary of SEP, they all are part of a *bureaucratic culture* that assumes that everything the government does must address the priorities of the president. (Writer, researcher, professor at UNAM, June 23, 2015)

Trejo explains that this is beginning to change but continues to weight a lot. Officials understand the priorities as they can due to the fact that there are neither specific guidelines, nor cultural project of the Mexican state, nor a policy that includes the details—“Usually what the Mexican officials do is to resolve according to what they think it does not alter government projects, thus they resolve more with omissions than with actions”. This phenomenon hinders the development of strategies because “the fear of innovation, contrast and originality prevail in the definition and programming of this type of public broadcasters” (Ibid.).

Lara explains the role of politics with another perspective and makes an analogy between the role of the director and the role of a dike—a long wall or embankment built to prevent flooding from the sea. According to him, all the directors of Canal 22 have had pressures. That is a characteristic of being director of a media company. Former directors have had pressure over the editorial policy or pressure over certain contents. Nevertheless all of them, except Cremoux, took the role of a *dike*: they put limits to Canal 22’s authorities such as CONACULTA, SEP, the presidency and government and thus they prevent political pressures flooding into the company “maintaining some territorial dignity, say in terms of freedom of expression, but this man has none” (Canal 22’s former news editor, August 26, 2015). Cremoux resigned in October 2015 after the conflict between him and staff of the news department, during the summer 2015, causing the lay off of 20 employees part of the news department. Lara comments that apparently, judging by Cremoux’s behaviour, he did not have “the authority to be a *dike*” (Ibid.).

Cremoux had different views with Silva, former head of Canal 22’s news department, and the staff of news department of how the journalistic work should be in Canal 22. Discussion and exchange of views was not a choice to solve the differences between Cremoux and Silva. He remembers Cremoux telling him: “You have a problem Juan Jacinto, the boss is the one on this side of the desk” (2015). This case portrays a political game, at the micro level, between him and Cremoux. It is a *lording game* in which the director of the channel used legitimate power in illegitimate ways (Mintzberg et al., 2009, p. 245).

In a public speech, Rodríguez said that Canal 22 has been used as a political platform on which all the staff has been included. According to Rodríguez, “violence is [used] also when speaking on behalf of all” (Reporter, producer, TV host, August 31, 2015). He claims that they have experienced that kind of violence in Canal 22. In his view it is not right to

take for granted that everybody think the same or everyone's thinking is the same. He gives as an instance the closure of the international meeting of public television organized by Canal 22 in 2014. In the closing speech, Cremoux expresses "how grateful *all* the members of Canal 22 are with Rafael Moreno Valle governor of Puebla" (Encuentro Internacional de Televisión Pública, 2014). This is another instance of Cremoux 'lording' legitimate power over Canal 22's staff, those who have clearly less power.

Another instance of an observed political game in Canal 22 is the whistle-blowing. This game is "played to effect organizational change . . . information is used by an insider, usually a lower participant, to 'blow the whistle' to an influential outsider on questionable or illegal behaviour by the organization" (Mintzberg et al., 2009, p. 246). A group of 12 persons part of the news department's staff issued a public statement in June 22, 2015, denouncing among other things the censorship and erratic cancellation of programs. The missive was addressed to Canal 22's higher authorities such as IFETEL, SEP and CONACULTA. A week later another missive was issued, this time containing 33 signatures of Canal 22's staff. As already mentioned before, in October 2015 Cremoux left office. It may be the case that efforts done by this group of people were a decisive factor to remove Cremoux from office.

Another phenomenon related to power is influence peddling. Jobs in Canal 22, especially those middle and upper managerial jobs, are not always occupied by competent people, instead they are given to friends and relatives of the director of the channel, of even those of the president of CONACULTA or some other person in power that is of higher authority to Canal 22. According to Rodriguez, those who have always been working on the company remain in the same positions without a chance to be promoted (Reporter, producer, TV host, September 9, 2015).

Political games have an impact in the formation as well as in the implementation of strategies. Diverse phenomena can be observed in Canal 22 such as policy *slippage* and policy *drift*. Slippage occurs when "intentions get distorted somewhat in implementation" (Majone and Mildabksy as cited in Mintzberg et al., 2009, p. 247). Mexican laws and the Institutional Mid-Term Program establish normativity, objectives and strategies but they are not always implemented the way they were meant to be. The other instance is drift. By drift is meant that as time goes by formulated strategies are changed in a way that basically alters the original purpose (Kress et al. as cited in Mintzberg et al., 2009, p. 247). This can be observed in the news department of canal 22, produced programs had to be

edited according to Cremoux's suggestions and inclusively some programs were never broadcasted while he was de director of the channel. It altered the original purpose that staff of the news department had when elaborating those programs in line with Canal 22's mission.

The Role of Communication Amidst the Conflict of Powers

In Aguilar's view Cremoux *"has failed to communicate what culture is* for him, and he closed the opportunity to talk with him about how he understands culture. *It is clear that there is not a working plan.* During his meetings I've never listened to him saying what culture is" (former editor of the news agency N22, August 31, 2015).

Rodríguez confirms that in Canal 22 there is a conflict of values, a problem of understanding of what is meant by culture, and what is included and not included in terms of programming, "In this administration, in Raúl Cremoux's administration, I have no doubt about it " (Producer, reporter, TV host, September 9, 2015).

In Cremoux's administration there is a clash of values. According to Rodríguez, *"the conflict begins at the time when there is no dialogue.* The conflict begins with an authoritarian figure *'I am the director'*". Rodríguez explains that because of that, the working teams instead of consisting of critical people, they just agree with the director's decisions, no matter what they are. Rodríguez explains that *Cremoux has no idea what culture is* and that he has no critical sense of himself and while he was director, he was surrounded by a team of collaborators, responsible of the different units in the channel who were not capable of exercising any criticism in front of his authoritarian figure. This is where the clash of values and the clash of ideas are. Rodríguez concludes that the conflict in Canal 22 has to do with the person who leads it and that with the current dynamic they have in the company surely *there won't be an understanding* of 1) what public television and culture are, 2) what the objectives of Canal 22 are, 3) in which way their acts, actions and programming influence or are reflected in what they are thinking and 4) in what moment *the cultural* is linked to *culture* (Ibid).

The remarkable instance of lack of communication is the crisis that the news department went through during Cremoux's administration. The disagreements between the director and the news department staff increased gradually. In 2015 for at least two months, they tried by different means, particularly through Juan Jacinto Silva, former head of news department, to have interlocution with Cremoux and there was basically no answer or any

sign of possibility to negotiate. Cremoux rebuked Silva because one collaborator, part of the news department staff, published some tweets regretting the censorship of one episode of the program El Observador. In June 2015, a group of 12 persons decided to issue a public statement and make public what was happening within the channel, as there was neither any means to negotiate nor any interlocution with the director. As already previously mentioned, days following the first statement, it was published a second statement containing 33 signatures of Canal 22's staff demanding Cremoux's reply and public debate. The director ignored them. After the second public letter more people of the news department staff was laid off.

The administration of Cremoux differs greatly to the previous administrations such as that of González's administration in which the channel's staff experienced the most important moments of dialogue ever lived in the channel (Rodríguez, reporter, producer, TV host, September 9, 2015). Negative power is present at all times within this conflict characterized by lack of communication and understanding between the director and the staff. Cremoux had neither encouraging influence nor charisma he needed to be the director of Canal 22. He tried to execute power to lead the company but by no means he mastered the laws of power and much less he mastered the use of politics to elaborate and get strategies accepted. Strategy making as a political process did not succeed. Had Cremoux known that making compromises, negotiating mutually beneficial arrangements with Canal 22's staff instead of fighting against them would have been wiser.

Understanding Strategy with the Environmental School

The findings reveal that due to the legal nature of Canal 22, it has institutional external pressures to conform. These pressures influence the strategy formation process on an *environmental dimension*. In the following paragraphs it is briefly explained and discussed.

According to the environmental school any organization, in this case Canal 22, is initially shaped in order to react to the environment (Mintzberg et al., 2009, p.304). In line with this school, it can be assumed that the fortune of Canal 22 and its chances for future survival were shaped when it was formed. The channel was defined with a complex legal concept reacting to the political situation in Mexico present in the year 1993.

Throughout the years, this legal status has caused problems and has impeded the possibility of having freedom for managing. The legal situation continues to be an issue nowadays and it continues to generate challenges. Decisions taken 22 years ago about

the legal status of the company might cost the future survival of the company in the years to come unless something extraordinary happens.

According to Lara, in Mexico “*public service media* are rickety, inclusively in terms of its legal basis” (Former news editor at Canal 22, August, 19, 2015). Rodríguez says that Canal 22 has a quite strange legal concept as the channel was created thanks to the intellectuals who signed a petition to maintain a TV signal apart of commercial ends. He explains that as a consequence of how Canal 22 was established “there are some legal elements that do not allow much freedom of management. That has slowly been changing but has not been fully effective” (Reporter, producer, TV host, September 9, 2015).

The findings show that Canal 22 faces pressures from external organizations such as CONACULTA and SEP. In addition, it has the pressures of being a media organization, such as the pressure of positioning itself as a relevant cultural media outlet for the Mexican audiences in an environment of unpredictable and tough competition. This can be explained by the *institutional theory*, which is “concerned with the institutional pressures an organization faces in its environment, from other organizations and from the pressures of just being an organization” (Mintzberg et al., 2009, p. 310).

This theory explains that *the goal of the organization is to protect itself from the “uncertainty in its environment”*. In order to do so, strategies are formed with the purpose to find ways to acquire economic resources (money) to convert them into symbolic resources (prestige, reputation and leadership) and vice versa (Ibid., p. 311). This in turn gives rise to a phenomenon called *impression management*, which is the interaction of the company with key players in the environment. The interactions give rise to “norms that dominate practice” (Ibid.). “This drives organizations in the same environment over time to adopt similar structures and practices” (Ibid.). The findings show that the interactions among regulatory and government agencies with staff of Canal 22 have given rise to norms that dominate practice. For instance, throughout the 22 years of the channel’s life, it has emerged the norm that the director of Canal 22 is expected to have views about politics that do not confront the current government’s administration. This norm has dominated in practice because any of the channel’s directors has had the tendency to avoid broadcasting information or news that may harm the image of the president or his administration. This norm has driven other Mexican public media outlets to adopt similar structures and practices to those in Canal 22, such as Canal 11.

The cognitive side of Strategy Formation

The findings show that strategy formation process is as well a cognitive process. This is because an important part of the process takes place in the mind of Canal 22 director, as well as in the minds of others who may participate in the formation of strategies, such as the persons responsible of each department within the company. Each director has had his or her own personal perspective, has had his or her own view of what culture means and his or her own view of what needs to be done to fulfil the mission of Canal 22 as a public and cultural channel. During the interviews it was revealed the importance of the cognitive aspect for the formation or absence of strategies in Canal 22. For instance, as previously mentioned, Trejo revealed the cognitive role of strategy formation in Canal 22 by commenting: “I do not know what Professor Raúl Cremoux *opines*, or what Jorge Volpí *had in mind*, or which *impulses* were those that moved Enrique Strauss’ decisions” (Writer, researcher and professor at UNAM, June 23, 2015).

Each director in Canal 22 has had his or her own *perspectives or strategies*. This in turn has influenced how the staff has dealt with external inputs. Thus the findings agree with the cognitive school, which says that strategies form as perspectives that shape how people deal with external inputs or “interpretations of a world that exists only in terms of how it is perceived” (Mintzberg et al., 2009, p. 181). However the researcher agrees with Mintzberg et al. that the “cognitive psychology has yet to address adequately the questions of prime interest to strategic management, especially how concepts form in the mind of a strategist” (Ibid., 182). It can be concluded that while the findings show that strategy formation process in Canal 22 is also one of cognition, it is beyond the scope of this research to answer how concepts have formed in the minds of Canal 22 directors or any other people who participate in the formation of strategies within Canal 22.

Associations to the Configuration School

Throughout 22 years of life, the company has gone through periods approximating Mintzberg’s idea of *configurations*. Each director has had an impact in the company’s behavior and performance. Thus, the arrival of every director has produced a particular configuration that has lasted the time he or she has managed and leaded the company. In the following paragraphs associations between the findings and the contributions of the configuration school are further discussed.

Each period of stability is interrupted by a quantum change caused by the arrival of the subsequent director. This is marked by the tendency that each new director forms his working team including not only former staff but also new staff. At the same time, outside the company, new people replace some of Canal 22's higher authorities officials. However, the findings show that between configurations there are aspects that remain the same, such as formal procedures and features of the organizational culture. In Canal 22, the shift from one configuration to the next does not depend on the strategic management per se as Mintzberg et al. describe (Ibid., p. 321). The shift from one configuration to the next is determined by politics and by the end of a period, which is determined by a director. It is expected that the period has a length of 6 years, which corresponds to the length that last governments' administrations in Mexico.

According to Mintzberg et al., "successive states of configuration and periods of transformation may order themselves over time into patterned sequences, for example describing life cycles of organizations" (Ibid.). So far the configurations in Canal 22 do not define a patterned sequence that would describe a life cycle per se. However, configurations order themselves into something that resembles a patterned sequence. In Canal 22 a configuration is expected to last for a period of time determined by politics. As described by Rodríguez in the following paragraph, each configuration represents a cycle. Thus, the cycle is likely to be repeated each time another configuration is formed due to the arrival of a new director. Configurations order themselves into a sequence:

The first year of this administration comes the new boss. On rare occasion comes someone who knows what he's talking about. In most cases comes a new viceroy. And the argument is 'I am very happy and proud to join you. Nobody is going to be laid off. This is the time of my life'. Year two the director begins to learn what the channel dynamics are and begin to bring new friends so that they learn about the processes from those who are working. Year three these new friends are the bosses and are those who are earning money. Those who have always been working remain in same positions and they do not get promoted. Year four things start to work out. Year five we are working. And year six is the political year, the money runs out, budget reduction, pieces in politics start moving and let's say it's a

year as said with slang 'dead man swimming—nadar de muertito' [playing dumb when political turmoil arises]. Comes year one of the following six-year period and we start again. That's what I have lived with Miguel de la Madrid, Raul Salinas, Ernesto Zedillo, Vicente Fox, Felipe Calderón and Enrique Peña Nieto (Reporter, producer, TV host, September 9, 2015)

The configuration school states that the organization adopts a structure matched to a particular context and this “causes it to engage in particular behaviors that give rise to a particular set of strategies” (Mintzberg et al., 2009, p. 312). Although the findings show that this statement is not false for this case study, it is not accurate enough. This is because the statement ignores the complexity of people's behaviors and their motivations, emotions and rationales behind decision-making and collaboration. *People*, not only within Canal 22 but also people outside the organization, influence Canal 22's strategy formation processes. People ultimately choose and define the strategies to be implemented from a variety of alternatives. Structure and context are not the drivers of strategy formation process in isolation.

Rodríguez portrays how configurations differ between one another and he makes a sharp and clear comparison between the periods of Pérez Gay and Strauss, respectively. In this instance people play a central role beyond the structure or the context:

- Each director had his own vision of the channel: Pérez Gay was searching for the *concept* of Canal 22, and Strauss wanted to consolidate the *televisual* aspect of Canal 22.
- “If to Pérez Gay it was important to exist and to say who we are and why we are so, to Enrique Strauss [it was important] to grow. [Canal 22] grows quite a lot”.
- The conformation of the people who integrated Canal 22 changed. During Pérez Gay's administration there were people who loved the arts, people who had studied arts or something related to an artistic expression. When Strauss became the director of the channel, the amount of personnel grew and began to professionalize with people related to the field of television (Reporter, producer, TV host, September 9, 2015).

Summarizing Table: Matching periods with Strategy Formation Schools

Director and Period in the Post	Strategy formation process understood best with the following Schools of Strategy Formation	Key Indicators
<p>José María Pérez Gay March 1993-December 2000</p>	<ul style="list-style-type: none"> • Entrepreneurial School • Learning School 	<ul style="list-style-type: none"> • Visionary process of building from scratch the channel, make it exist and give it a sense of legitimacy. Pérez Gay embraces the role of developing and articulating vision for the organization • The learning is intense • There is exchange of i.e. ideas, practical knowledge, skills and expertise • Stretch and leverage
<p>Enrique Strauss January 2001-March 2007</p>	<ul style="list-style-type: none"> • Design School • Positioning School • Planning School 	<ul style="list-style-type: none"> • Accountability Report 2000 – 2006. By the end of 2015, this is the most precise and clear report published by Canal 22 • The director plays an important role to set control and consciousness • Both, perspective and position are clearly shaped and communicated
<p>Jorge Volpí April 2007-February 2011</p> <p>Irma Pía González March 2011-February 2012</p> <p>Magdalena Acosta March-</p>	<ul style="list-style-type: none"> • Cultural • Cognitive • Environmental 	<ul style="list-style-type: none"> • Greater integration of the management team and diverse areas of decision-making • The views are shared through spontaneous, sincere and meaningful dialogue between the director and the staff until agreements and compromises are reached. • Strategies formed are based on a foundation of shared thoughts and beliefs. • Communication essential for building an organizational culture that favored the formation of strategies for immediate

December 2012		implementation corresponding to today's television characteristic of immediacy.
Raúl Cremoux January 2013- September 2015	<ul style="list-style-type: none"> • Power School 	<ul style="list-style-type: none"> • Lording political game: Cremoux, Canal 22's director, uses legitimate power in illegitimate ways, i.e. he uses Canal 22 as a political platform on which he speaks on behalf of all without their consent • Whistle-blowing political game i.e. Canal 22 staff issued a public statement in summer 2015, denouncing among other things the censorship and erratic cancellation of programs by the director • Influence peddling i.e. jobs and contracts are given to friends and relatives of the director • Policy slippage and policy drift i.e. programs had to be edited according to Cremoux's suggestions or the broadcasting of productions was cancelled. The original purpose the staff had when elaborating those programs in line with Canal 22's mission was altered.

Conclusions

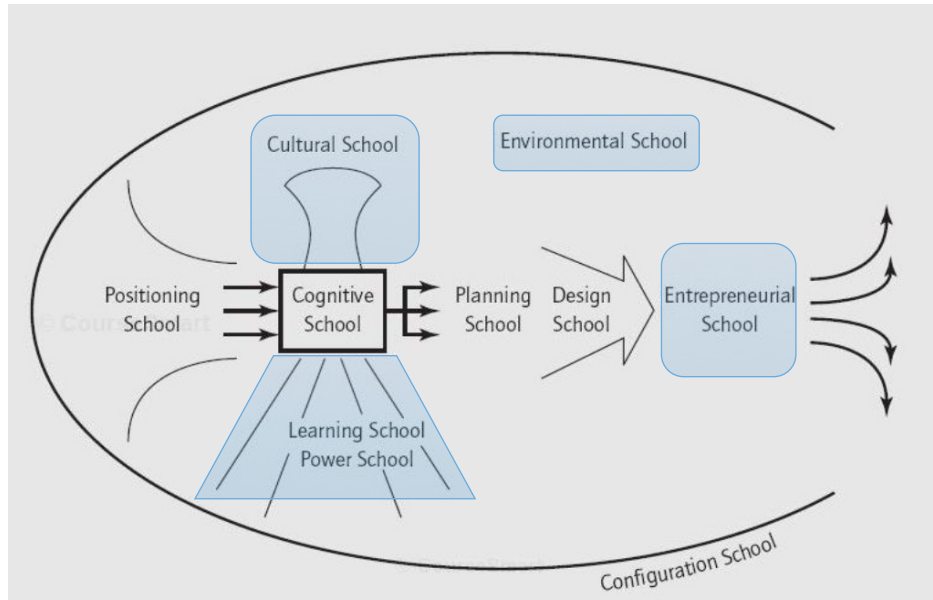
The strategy formation process in Canal 22 was analysed through Mintzberg's 5Ps for strategy and through each of the 10 schools of strategy formation. The findings show that the 5Ps as well as all of the schools are important and useful to explain how and why the strategy formation processes in Canal 22 are as they are.

The director, sub directors, managers and other staff in Canal 22 can benefit from

examining, observing, pondering and understanding more about the complex internal processes of strategy formation. By doing so, improvements can be made in the current processes in which strategies are formulated. This way, the chances to form better strategies with greater chances to be successfully implemented can be increased. As a consequence there will be greater chances to fulfil Canal 22 mission and greater chances to turn Canal 22's vision into reality. The rest is hard work and a kiss of luck.

According to the findings and the discussion, it can be concluded that *strategy formation process in Canal 22 is conditional and contextual*. Even though the company has an "Institutional Mid-Term Program" containing deliberately planned objectives, strategies and lines of action, in reality many of the strategies clearly emerge. In each period, defined by a director, there is an *internal logic that explains the rationale*. However, as it was demonstrated during the analysis and discussion, there are always flaws when looking at the larger range of options. During two decades of broadcasting, Canal 22's context has changed as well as its director. *As the two coincide the strategy evolves*. In each instance the changes are rational, but not necessarily planned. So although the 10 schools of strategy formation are good, there is a gap: *the 10 schools of strategy formation offer a general view of how strategies form which is not longitudinal enough. The case study of Canal 22 demonstrates the gap*.

One element that the researcher found missing from the 10 schools of strategy formation and yet was a present phenomenon in the strategy formation processes of Canal 22 were employees' emotions and feelings at the time strategies are made. An example was presented during the discussion and here is presented another thought on the matter. According to Curiel, *the feelings of Canal 22's personnel are very important because that way it is possible to know the ability or level of proficiencies among employees and thereby it is possible to formulate the right actions during the formation of the strategies for improvement* (Manager of information technologies, August 27, 2015). The researcher suggests further research on the topic. The phases in which there is intervention of emotions and feelings in the strategy formation process are portrayed with blue areas in the picture below:



Minzberg et al., 2009, p. 391)

The analysis shows that employees in Canal 22 are proud of the company's mission. It was the most consistent finding throughout the research. No matter if it is understood in detail or in broad strokes, *the company's mission is the magic ingredient that helps to build identity and cohesion within the channel. The opposite happens to strategy, it is a word that generates confusion and contradiction even among upper managers and each employee who was interviewed had his/her own view and understanding about it.* At the time Cremoux was the director of the channel, a very active and knowledgeable employee working for over two decades in the channel answered: "Shared strategies? No way. Tangibles? I don't know what they are because decisions have been changing overnight" (Rodríguez, reporter, producer, TV host, September 9, 2015). But one may ask, how Canal 22 is to fulfill the mission if the findings show that the strategy formation and thus the implementation of strategies are rather weak? That is a question for further research.

The findings of this research show that strategy formation process in Canal 22 can be improved. The better the strategies are formed the greater their chances to be successfully implemented, and thus the greater the chances for Canal 22 to fulfill its mission. In the following chapter a set of recommendations to improve strategy formation in Canal 22 are described. Canal 22's interviewees suggested the following things to improve strategy formation process in Canal 22: 1) having greater autonomy as an entity, 2) depending increasingly less on federal budget, and 3) the formation of a Planning Council that is autonomous and independent of the six-year changes. The researcher will complement these 3 suggestions by providing a few other recommendations.

Concluding Chapter

The concluding chapter briefly presents a set of recommendations on how to improve the strategy formation process in Canal 22. This is followed in the subsequent paragraphs by some criticism of the research work. Later on, the researcher raises some other possible means to approach the research problem, which was not addressed within this research, thus providing some ideas for further research. At the end of the chapter some final thoughts are included.

Recommendations

As mentioned before, during the data collection employees provided a set of actions that they believe would help the company to improve strategy formation. Canal 22 would benefit if it had greater autonomy as an entity, if it depended less on federal budget, and if an autonomous Planning Council, independent of the six-year changes, was created. Based on the findings of this research, those actions would certainly serve and support the staff of Canal 22 to improve the strategy formation processes within the channel. *Next are presented some ideas on how to improve the strategy formation process in Canal 22 based on the knowledge and insights that the researcher gained throughout the research work:*

- *Define the Organization's mindset:* According to the findings, Canal 22 lacks a well-defined organization's mindset. Due to the fact that Canal 22 is a cultural channel, culture per se is a very important social construct that touches every operation, routine and activity within the channel. Unfortunately, ever since the channel was founded, there has been a lot of contention of what culture is and what is not, and thus there has been a lot of contention when defining and choosing which programs, contents and themes are relevant to the cultural character of the channel and which are not. Thus the proposal is that Canal 22 needs to define its mindset.

A mindset that expresses, among other things:

- The values and principles of the organization
- The meaning of core social constructs such as “culture” and “public service”
- The way and the attitude each employee approaches his/her own competences and work, as well as the way the employee approaches colleagues' competences and work.

- The way and the attitude employees approach Canal 22.
- Canal 22's attitude to approach the world around it.

A clear defined mindset will serve Canal 22 's members as the glue for connecting all pieces together: mission, vision, values, goals, *the strategy*, the methods, the means, the actions and the results. Awareness of Canal 22's mindset will boost faith and trust within the employee, between peers and towards Canal 22. As a consequence the mindset will help shaping Canal 22's strategies and much more (material collected during the researcher's management practicum, 2012).

- *Increase employee engagement and independence on decision-making:* During the researcher's management practicum, she learned about an effective method for decision-making from Futurice, a Finnish company that operates in the Information Technology and Software Industry. In this company *decision-making is a right for everybody within the company*. Each employee works according to the 3x2-served basis: *"Decisions have to be good for the employees, for the customers and for the business, now and in the future. When these 3 questions answer yes now and in the future, then anyone can make a decision"*.

It is probable that this method for decision-making would help enhancing the success and efficacy not only of decision-making but would also enhance the strategy formation process within the company allowing higher possibilities of successful implementation. Employees would be more competent and ready to participate in the creation of new strategies. This is because the employees would not only enjoy more independence with decision-making but also *they would feel more aware and engaged with the strategies and their implementation*. In addition, employees would be likely to feel more valuable as they embrace more responsibility while experiencing more freedom. There is less need for bureaucratic practices, less time is wasted and meritocracy among employees is enhanced. If an employee is confused with her/his decision, then he can consult her/his peers or her supervisor. Most of the employees are likely to have good moral and feel sympathy towards the values of the company, thus it is little probable that the employee's freedom for decision-making would be misused. "Empowered employees trust themselves and others" (material collected during the researcher's

management practicum, 2012). This is a way to empower Canal 22 as an organization regardless of who is appointed as the director of the channel.

Boost openness: The proposal is that strategy formation process is facilitated and enhanced if it takes place within a context of *openness*. What is the rationale behind this proposal? It is explained in the following paragraphs. Openness is briefly explained first. Then associations between the current situation in Canal 22 and openness are presented.

In regards to openness: The culture of openness is basically based on the idea of sharing one's own work processes and results so that others can cooperate and continue to further develop it, modify it, use it, etc. When you are open you can talk about your work, open your process, share the information, tell your goals, unlock your thoughts as well as ask opinions and suggestions when making decision making or when needing support. Openness is not only about sharing and making one's information available, it is as well having access to data and information of others: it's a two way flow. Meritocracy and decentralization are important in an open culture. If adopted within Canal 22, openness will require and boost new kinds of competencies among the employees. Also, openness can become a competitive advantage for Canal 22 (material collected during the researcher's management practicum, 2012).

According to Aalto, interesting points of view to openness, in regards of communications at work, are incompleteness, transparency, sharing and cooperation (2012, p. 58).

In regards to the strategy formation process: Employees need to know what the strategies of the company are, the reason why strategies are as they are and the expected results that are set from them. According to the research findings, the employees were not aware enough with the strategies of the company. As a result employees feel disengaged, confused, they lack understanding of the whole situation and fear because they are not well informed. In addition, according to the research findings, directors, such as Cremoux, can misuse the trust they are given and can fail to proactively elaborate and implement strategies, at least in successful ways. In this kind of situations is exactly where openness can serve as a cure.

Thus, in order to avoid the above mentioned, anything that can be shared ought to be available and ready to be shared. By embracing an attitude of openness, employees need fewer requirements to access to information and knowledge. They can be available in a shared common place for all. The result is that the workflow is speeded up and the results are enhanced. Trust is encouraged. To embrace the culture of openness within Canal 22, within the company there should be fewer walls that function as barriers, in other words there should be fewer rooms, so that communication, interaction and workflow can be boosted and enhanced. Thus, employees can gather together from the top to the bottom of Canal 22's hierarchy as well as gather across the units or departments of the organization.

Embracing the attitude of openness would avoid “gathering together in an exclusive limited horizontal integration within the same unit and away from the other units of the company” just as it happens nowadays within Canal 22 according to the research findings.

If any employee, including the director, needs to handle a very private issue then there can be “quite rooms”. But in practice most of the activities and conversations should be handled in open areas. This would aid in reducing many undesirable situations and abuse of power within Canal 22. Such as those that were discovered during the data collection.

Thus, Canal 22 can boost openness within the facilities as well as in IT systems by reducing unnecessary barriers. Openness can be improved by simply starting to improve the available tools and making gradual changes within the company's facilities. Openness accelerates and enhances communication within the company and thus it speeds up innovations. In addition, employees are enabled to recognize “blue oceans” where Canal 22 can provide value to audiences, among many other benefits. It is also worth saying that this recommendation can be subject for further research.

Research limitations

The quality of the analysis and findings would have been greater considering any of the following points:

- Development of an embedded case study instead of the holistic case study
- Collecting data from a bigger and more diverse sample
- Including quantitative research methods in the analysis

In the following paragraphs it is briefly discussed each of the above-mentioned elements.

At the beginning of the research the author wanted to *carry out an embedded case study* containing multiple units of analysis inside Canal 22's case study. Each of Canal 22's departments would have represented a unit of analysis. This way, the analysis would have included results from each department and the author would have collected more of the specifics of strategy formation process in Canal 22. However at the time the data was collected Canal 22 had an internal conflict which because public causing further upheaval within the company. As a consequence the author had difficulties to have access within the company and thus she modified the data collection process to adapt best to the situation at that time. All in all, the holistic case study was successfully carried out, plenty of fruitful insights were gathered, the research questions were answered and the thesis was confirmed.

The sample size in this research is of 9 persons. Of those 9 persons only 6 are staff of Canal 22, 1 is former employee of the company and 2 more belong to the academia. In the beginning of year 2015 Canal 22 had 369 employees. Thus, a sample including 6 employees of Canal 22 is small if compared with the total amount of the company's staff. In addition, the sample includes staff from only three out of nine departments: department of production and programming, news department and management of Information Technology. It is worth noting as well that the sample does not include key persons for the strategy formation process in Canal 22 such as the channel's (general) director, the director of the production and programming department, as well as the department director of the technical and operative area. All in all, with the sample of 9 it was possible to collect plenty of meaningful and valuable information relevant to the topic of the case study research. The author was able to make data triangulation with the collected data that each of the respondents provided, coupled with other sources of data as well, arriving and corroborating the same findings.

Finally, the use of quantitative data would have been a valuable addition to the research because it would have added another perspective throughout the analysis phase and triangulation would have been supported with an additional source of data. However due to limitations of time, lack of the author's experience and an unexpected restricted access

in Canal 22 to carry out surveys or interviews it was not possible to generate any quantitative data in this research. All things considered, the author was able to successfully adapt to the conditions at the time she collected data and was flexible with the use of qualitative methods. She elaborated a formal research instrument, carried out semi-structure as well as unstructured interviews, each customized to each respondent and to the context in which the interview was carried out.

Suggestions for Future Research

There are plenty possibilities to approach the study of strategy formation process in Canal 22 which were not addressed in this research and thus are left for future and further research on the topic.

As mentioned above, *the strategy formation process in Canal 22 could be researched with greater detail if instead of including a holistic case study the research included an embedded case study containing multiple units of analysis*. Canal 22's departments would be the units of study. Among other things, 1) this would provide precise data necessary to understand how each department of the company forms the strategies particular to its own department; 2) it would also enable to make comparisons between departments; 3) in addition, it would allow the researcher to gain further understanding of how strategic contributions of all departments coordinate between them, and 4) how each department influence or is influenced by other departments. And finally 5) understand how Canal 22's official deliberate strategies are shaped and how these influence each department of the company.

Final Thoughts

Nowadays, in Mexico, media companies continue to make adjustments in their business models after having experienced a structural break within the media industry during the last decade or so. With the belief that enhancing the process for strategy formation helps media companies adjusting better and more successfully to such changes, this research work investigated Canal 22's strategy formation process. The 10 schools of strategy formation and Mintzberg's 5Ps served as the theoretical framework of the research.

The research questioned *how* the strategy formation process is in Canal 22 and *why* the process is as it is. Company's staff and knowledgeable people about the channel and the Mexican media industry were interviewed. In addition, the researcher collected relevant data and information from the years 1993 to 2015. The research proposition stating that Canal 22's strategy formation process had aspects that could be improved was

demonstrated. The work concludes that improvements in Canal 22's strategy formation process will support the company to enhance its performance and its chances for a brighter future within the Mexican media industry. The study has proposed some mechanisms that can be used to support the improvement of the strategy formation process. Further and more in depth research related to both strategy formation processes and Mexican media companies is encouraged as there is a lot to be yet discovered, learned and understood.

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Appendix



UNIVERSITY
OF TAMPERE

Master's Degree Programme in Media Management
Strategy Formation Process in Canal 22 (Televisión Metropolitana S.A. de C.V.)
Questionnaire

1. Name of respondent:

2. What is the purpose of strategy formation at Canal 22?

3. Based on the organizational structure of the company, what is the participation and influence of each level in the formation of new strategies?

	Degree of participation, if any
KB2	<div></div>
MC2	<div></div>
NC3	<div></div>
NB2	<div></div>
OC1	<div></div>

4. Based on the company's operative structure, which units are the most involved ones in strategy formation? Why?

5. Who else has a stake in the formation of strategies in Canal 22?

Degree of participation, if any

Consultant firms

Analysts and planners
within Canal 22

People with power
and/or influence outside
the company

Staff of the Federal
government institutions

Staff of parastatal
organizations

CONACULTA staff

SEP staff

Other (please specify)

6. To which degree are the following sources of information used to elaborate strategies?

	Much	Moderately	Little	It is not used
Management and leadership theories	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Trends in strategy formation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Academic sources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Staff's accumulated knowledge and experience	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
History and past events of Canal 22	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
History and past events of other companies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other companies observations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Studies, analyses and statistics about the market	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Intuition, emotions and feelings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

7. Who participates in the strategy formation?

- ☐ Strategies are made by an individual senior manager
- ☐ Strategies are made by a team of senior managers
- ☐ Strategies are made by a group of managers at different levels in the company
- ☐ Strategies are made with the involvement of employees
- ☐ Strategy formation also involves external experts
- ☐ Other

8. How long it approximately takes to formulate new strategies?

9. How important is to consider the following aspects during the process of strategy formation?

	Very important	Important	Little important	Not important
The mission of Canal 22	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Political affairs inside Canal 22	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Strengths and core competencies within Canal 22	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Weaknesses within Canal 22	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Political affairs outside the company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Resources outside the company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Opportunities outside Canal 22	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Trends outside Canal 22	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Threats outside Canal 22	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Direct competitors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Indirect competitors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Users and consumers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Potential new users and consumers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

10. To which degree the following factors influence strategy making?

	Influence much	Influence significantly	Influence little	Do not influence
Competitor moves	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Consumer economics	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Canal 22 unused (slack) resources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Canal 22 economic conditions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
New General Director of the company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Desire to innovate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Technological breakthrough	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Changing client tastes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Canal 22 authorities' desires	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Current Federal administration	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Desire to expand to new markets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

11. How does the company's culture influence the strategy formation process? And how important do you think that influence is?

12. How much influence do past actions and past strategies have in the formation of the new strategies?

- ☐ Much
- ☐ Moderately
- ☐ Little
- ☐ Not at all

13. Which of the following types of strategy are used in Canal 22?

Deliberate strategies: plans are made intentionally	Deliberate strategies are used more	Both are equally used	Emergent strategies are used more	Emergent strategies: Unconscious, without intent, emergent actions and decisions turn into a strategy
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

14. Under which circumstances do you use deliberate strategies?

15. Under which circumstances do you use emergent strategies?

16. Strategy formation elaborates strategies that serve as manoeuvres to outwit the competitors?

- ☐ Yes
- ☐ No
- ☐ Don't know

17. How important is to elaborate strategies that enable Canal 22 to maintain a position in the following:

	Very important	Important	Little important	Not important
Mexican media industry	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mexican cultural market	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
American media industry targeted to the Hispanic market	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
International cultural markets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
International media markets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
New social media markets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
New media markets with new formats	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

18. How often are the current strategies evaluated?

19. How often are strategies changed or fixed?

20. How strategies are updated typically?

- ☐ In a quantum fashion: many elements change concurrently
- ☐ In meaningful ways without intermediary stages
- ☐ By increments
- ☐ In a piecemeal fashion: one element at a time keeping the rest constant
- ☐ Other (please specify)

21. How much does the created strategy change when being implemented?

- ☐ A lot
- ☐ Some
- ☐ Not much
- ☐ Not at all

22. Is the feedback from staff considered during the implementation of strategy?

- ☐ A lot
- ☐ Some
- ☐ Not much
- ☐ Not at all

23. Strategies are made in order to achieve:

- ☐ Stability
- ☐ More stability than chance
- ☐ Both, stability and change
- ☐ More change than stability
- ☐ Change

24. Which of the following words portray best the strategy formation process in Canal 22? More than one set can be selected.

- ☐ Influence
- ☐ Work together
- ☐ Adapt to surroundings
- ☐ Transform and revolutionize
- ☐ Think
- ☐ Play
- ☐ Plan
- ☐ Analyze
- ☐ Envision
- ☐ Intuition
- ☐ None of the above
- ☐ Other (please specify)

25. How strategies from different divisions of the company are interrelated?

- ☐ Hierarchical fashion, from top to bottom
- ☐ Hierarchical fashion, from bottom to top
- ☐ Around a mutual project
- ☐ Around a mutual theme
- ☐ Informally coordinated
- ☐ Strategies coexist disjointedly between the divisions
- ☐ Other (please specify)

26. How much the process of strategy formation changes from one Federal administration to the next?

- ☐ Much
- ☐ Moderately
- ☐ Little
- ☐ Nothing

27. How much the strategy formation process has changed from the previous general director to the current general director?

- ☐ A lot
- ☐ Some
- ☐ Not much
- ☐ Not at all

28. What processes and tools do you use to develop strategies?

29. Do you align the strategies with core competences of the company? If yes, how do you do it?

30. Do you align your strategies with the expectations, requirements and needs of consumers and society? If yes, how do you do it?

31. Do you align the strategies with the reality outside the company—with the media industry and competitors? If yes, how do you do it?

* 32. How could be improved the strategy formation process in Canal 22?

33. Anything you would like to add about the process of strategy formation in Canal 22?